



Town of Natick Economic Development Study and Action Plan Final Report & Plan



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Town of Natick Economic Development Study and Action Plan

Final Report & Plan

This report was developed for the Town of Natick with support and guidance from the Department of Community & Economic Development, Economic Development Committee, and Board of Selectmen.

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Natick at a Glance

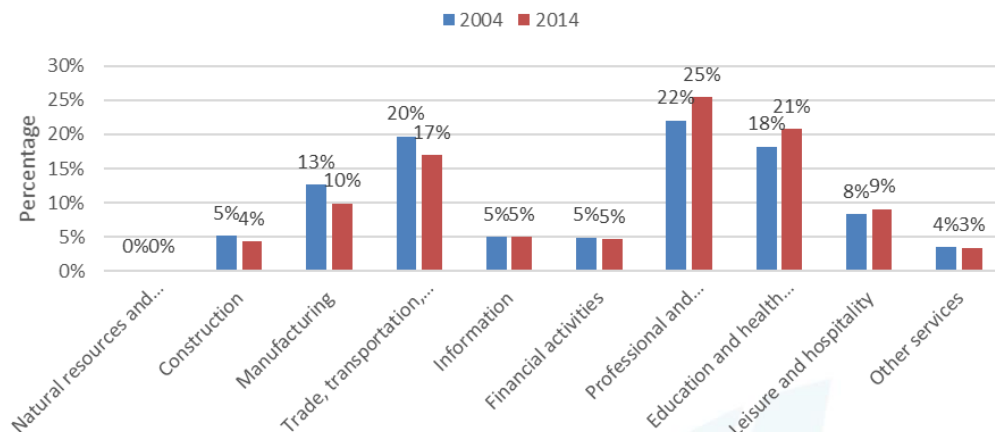
- Unemployment Rate: **3.1%**
- Town Tax Rate: **\$13.57***
- Housing Vacancy Rate: **5.1%**
- Commercial Vacancy Rate: **18.85%**
- Population: **32,786**
- Population Growth: **+2.6%**
- Crime Rate: **15.68** crimes per 1,000 residents
- Educational Attainment:
 - High School Degree: **97.2%**
 - Graduate Degree or Higher: **66.2%**

• Top 10 Companies (by employment):

1. Leonard Morse Hospital
2. Math Works Inc.
3. McCarty Associates
4. American Medical Response
5. Soldier Systems Center
6. Cognex Corp
7. Macy's
8. Neiman Marcus
9. Nordstrom
10. Roche Bros

*For each \$1000 of value

Industry's Share of Employment



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Executive Summary

The Town of Natick is located 10 miles west of Boston, MA and is a dynamic community within the Greater Boston metropolitan area. Its proximity to Boston and within the MetroWest region – coupled with excellent east-west highway access (I-90/MassPike and Rt 9) and public rail access have made the community a desirable place to live and to locate businesses. Natick's current economic conditions are considered to be generally healthy and competitive, with low vacancy rates and a competitive commercial tax rate. However, this analysis finds that Natick's ability to ensure a sustainable economic future is reliant upon enhanced coordination, establishment of a business-friendly regulatory framework, infrastructure support, and continuous, enhanced visibility and marketing.

If the town works together toward these goals, Natick can see higher and better uses of existing commercial and industrial spaces in town, leading to both increased commercial revenue and enhanced quality of life for residents. This economic development analysis and action plan was developed for the Town of Natick with support and guidance from the Board of Selectmen, Department of Community & Economic Development and Economic Development Committee. As the community develops its new comprehensive master plan, Natick wishes to better understand the commercial and business attraction opportunities open to it, so that it may better both anticipate these from a policy framework and also develop appropriate means for marketing to these opportunities.

The Town of Natick has set forth specific goals for the Targeted Economic Development Action Plan. In addition to better understand the strengths, weaknesses, and opportunities for the Town, the Action Plan needs to:

- Support and complement the broad-based Natick 2030 Master Planning Process;
- Educate the broader community about the benefits of using positive and sustainable economic development tactics;
- Develop a stronger core economic development vision and identity for the Town;
- Inform the strategic activities of the Town's economic development stakeholders, including the Department of Community (DCED) and Economic Development and the Economic Development Committee (EDC); and
- Ultimately, see higher and better uses of existing commercial and industrial spaces in Town, leading to both increase commercial revenue and enhanced quality of life for residents.

Work Performed

Investment Consulting Associates performed a comprehensive review of the Town's competitive position and industry bases before finally developing an action plan to both improve overall competitiveness. The four steps of the project were:

- Task 1: Community and Consulting Team Coordination
- Task 2: Baseline Analysis of the Town's Economic Development Position
- Task 3: Tactical & Strategic Recommendations for Retaining and Enhancing Competitiveness
- Task 4: Ongoing Support

Outcomes

The team identified a series of actions that the Town can take to improve its economic sustainability and to spur inward investment. The actions are summarized as follows (See [Action Plan](#)):

- **Coordination and Organization:** Improve the coordination of the economic development program to municipalities, economic development organizations, the county and other partners to be able to respond effectively to site selection and business inquiries. Bridge the gaps that exist within the county's communities and within the region.
- **Address Regulatory Policy and Procedure:** Review and enhance both the policy framework and how it is applied in responding to new or expanding businesses wishing to locate in Natick, MA. This includes zoning, land use, permitting, utilities, and other prime interfaces between the applicant and the public sector.
- **Marketing and Outreach:** Improve the image of the Town's businesses and economic development programs both within and outside the Town. Shift perceptions of existing businesses and opportunities.
- **Infrastructure:** Improve the quality of place for people who work, live and play in Town. Ensure that there is appropriate planning and investment in infrastructure to support development and quality of life.
- **Expand Business Attraction and Retention:** Encourage business retention and expansion through improved information and clear marketing. Commit to effective business assistance programs which provide a return on investment. Become a place that is recognized for simple, swift development permits and approvals which foster high growth. Support recruitment and creation of new businesses.

Introduction

Investment Consulting Associates (ICA) has completed its baseline analysis of Town's economic development position for its Targeted Economic Development Study and Action Plan for the Town of Natick. An in-depth analysis of Natick today – its economic base, commercial and regulatory environment, and overall competitiveness – is crucial to formulating the most effective strategies and recommendations for enhancing economic development. To this end, Task 2 consisted of the following deliverables:

- Summary of Existing Area Plans and Results Review
- Catalog of Target Districts and Sites
- Regulatory Review and Process Maps for approval
- Inventory of Existing Economic Development Assets
- Reverse Site Selection Model Summary, Ranking Chart, and Advantages & Disadvantages Chart
- Location Quotient and Shift Share Analysis
- Opportunity Match Grid
- SWOT Review

ICA has built a Final Report and Action Plan based on the findings of previous tasks. This Final Report consists of the following deliverables:

- Action Plan
- Detailed Recommendations
- Marketing Diagnostic
- Zoning Recommendations

Additionally, ICA has continued to hold biweekly conference calls with the Town of Natick to deliver regular updates and progress reports. Beyond the scope of these conference calls, ICA and the Town of Natick have actively engaged in further communication to support project objectives. Furthermore, ICA has facilitated three community meetings for the Town of Natick, and conducted extensive interviews with business stakeholders.

Summary SWOT

This SWOT is an analysis of both Middlesex County and Natick itself (Middlesex is referred to as regional and Natick as local). The SWOT technique helps identify where Natick excels and where a change of policy may make a positive impact. In the case of base industries, Location Quotient data is only available to the county level. This is why some items are described on a regional instead of local level.

Strengths

- Strong population growth (locally and regionally), especially of working age
- Strong labor force and employment growth
- Good professional and technical workforce (locally and regionally)
- Well educated population
- Strong service employment base (regionally)
- Good highway and air access (regionally)
- Strong base industries (LQ) in computer and electronic product manufacturing, chemical manufacturing, publishing industries except internet, educational services, professional and technical services, enterprise management, transit and ground passenger transport, data processing, and other information services
- Family-Oriented Community (intangible assets)

Opportunities

- Development/Enhancement of livable local centers: Natick Center as a livable, walkable downtown
- Regional collaboration for Marketing, Business Attraction, Transportation
- Non car-based (SOV) transportation carriers/networks
- Base Realignment and Closure (BRAC)/ Sequestration (federal budget austerity measures)

Weaknesses

- Low employment in trade/transportation
- High salary costs
- Local highway access and circulation
- Very high cost of housing and cost of living
- Traffic/Congestion
- Inadequate last mile public transportation
- Route 9 as a "mixed blessing" - regional access, but acts as barrier. Not easily accessible.
- Lack of Rental housing
- Difficulty and Speed of Permitting

Threats

- Housing costs causing a regional workforce decline
- Inadequate shipping and goods movement capacity
- Economic Downturn
- BRAC/Sequestration
- Worsening regional traffic without other transportation options
- Future of mall vs online shopping
- Based on location quotients, area demonstrates considerable activity, potentially indicating overexposure, in computer and electronic manufacturing, non-internet publishing industries, and other information services

Many of Natick's perceived weaknesses and threats (such as high wages and housing costs, and traffic congestion) are metropolitan/regional in nature and origin. As a result while Natick will have a role to play in the solution of each, a large number of these will be beyond the Town's control to effectively manage alone. Natick must therefore engage at both the regional and state level in order to have a hand in steering improvement and achieving effective solutions.

Opportunity Match Grids

Opportunity match grids identify specific target industries based on research findings and SWOT analysis. In conjunction with the existing regional industry and corporate base, the screening suggests that a number of industry and use types might be appropriate targets for Natick. It is important to note that this list cannot envisage each and every opportunity which might arise. Therefore, Natick and its outreach partners should also be aware of opportunities that build on or are similar to opportunities listed below and not limit outreach to just the following industries.

The following opportunities were identified for Natick:

Financial Services (Customer Service & IT) - Financial services include activities related to banking, securities, capital markets, insurance, real estate, and their support functions. Operations centers and back office functions include call and customer service centers and information technology.

Healthcare (Care Centers & IT) - Health care includes all acute and long-term care facilities spanning regional and community hospitals, urgent and retail care centers, rehabilitation facilities, and extended care facilities.

Entrepreneurship (Early Stage) - Entrepreneurship is the process of developing, launching and operating a new business, such as a startup company.

Food Services (Restaurants, Cafes, & Groceries) - Food services span all businesses that sell food items for immediate or home consumption, including restaurants, cafes, and groceries.

Life Sciences (R&D, Medical IT) - Life sciences encompass companies in biotechnology, pharmaceuticals, and medical technology. Functions across the value chain include R&D, manufacturing, commercialization, and distribution.

Financial Services – Customer Service & IT	
Specific Description	<ul style="list-style-type: none"> Financial services include activities related to banking, securities, capital markets, insurance, real estate, and their support functions.
Current Industry Outlook	<ul style="list-style-type: none"> Post-financial crisis brand image issues and demand for more personalized customer experiences have heightened the need for quality customer service Amidst a greater shift to automation in front office roles, there is a new emphasis on streamlining back office functions, creating high demand for technological infrastructure updating
Key Requirements or Value Chain	<ul style="list-style-type: none"> Strong telecommunications infrastructure Strong general labor force, with some need for more highly trained personnel depending on function complexity
Specific Role/Opportunity for Natick	<ul style="list-style-type: none"> Customer service and information technology functions for banks and financial services firms
Natick Competitive Advantages	<ul style="list-style-type: none"> Educated, qualified workforce Existing base industry in information and data processing Established presence of large and regional banks and financial services firms Robust services sector
Natick Competitive Weaknesses	<ul style="list-style-type: none"> High salary costs

Health Care – Care Centers & IT	
Specific Description	<ul style="list-style-type: none"> Health care includes all acute and long-term care facilities spanning regional and community hospitals, urgent and retail care centers, rehabilitation facilities, and extended care facilities
Current Industry Outlook	<ul style="list-style-type: none"> The concurrent forces of cost pressures, technological advancements, and greater consumer emphasis on personalized care

	<p>have initiated a trend towards alternative care delivery with greater geographical reach</p> <ul style="list-style-type: none"> • Care is shifting from hospitals to new settings including urgent care centers and retail clinics. The number of urgent care centers are expected to grow 20% by 2019 • An aging population is also expanding the need for extended care facilities • Shifting landscape of care is creating an imperative for updated technological infrastructure and management
Key Requirements or Value Chain	<ul style="list-style-type: none"> • Demographics (aging population = increased demand) • Healthcare workforce to meet demand • Local transportation infrastructure allowing regional access
Specific Role/Opportunity for Natick	<ul style="list-style-type: none"> • Expansion of local health provision centers, including urgent care centers, retail care centers, and extended care facilities
Natick Competitive Advantages	<ul style="list-style-type: none"> • Strong growth in population and labor force coupled with average/low number of physicians and hospital beds could mean an underserved demand in future
Natick Competitive Weaknesses	<ul style="list-style-type: none"> • Low existing employment in healthcare • High salary costs

Entrepreneurship – Early Stage	
Specific Description	<ul style="list-style-type: none"> • Entrepreneurship is the process of developing, launching and operating a new business, such as a startup company
Current Industry Outlook	<ul style="list-style-type: none"> • It is estimated that 12% of working age Americans are engaged in entrepreneurial activity. This rate is on a generally upward trend, barring the small dip from 14% to 12% in 2015. • In 2015, 10% of entrepreneurs were starting businesses based on new technology. This continues a generally upward trend since 2009.
Key Requirements or Value Chain	<ul style="list-style-type: none"> • Low-overhead space • Public-private commitment to facilitate networking, coaching, mentorship, and other services.
Specific Role/Opportunity for Natick	<ul style="list-style-type: none"> • Attracting early-stage startups outside of biotechnology, the industry focuses of start-up hubs Cambridge and Seaport. • Targeting entrepreneurs in information technology where Natick has an existing base industry
Natick Competitive Advantages	<ul style="list-style-type: none"> • Significant regional talent • More cost-competitive proposition than Cambridge and Seaport
Natick Competitive Weaknesses	<ul style="list-style-type: none"> • Lack of space for startups to grow into will limit the ability of Natick to retain companies as they achieve scale • Lacks organized community dedicated toward developing entrepreneur & startup ecosystem (Connect with Natick CoWorking, investigate TechSandBox in Hopkinton, Framingham State, Mass Bay Community College, Regis, and Bentley)

Food Services – Restaurants, Cafes, & Groceries	
Specific Description	<ul style="list-style-type: none"> Food services spans all businesses that sell food items for immediate or home consumption, including restaurants, cafes, and groceries.
Current Industry Outlook	<ul style="list-style-type: none"> Consumers are placing a greater emphasis on health, social impact (incl. sourcing, sustainability), experience, safety (incl. ingredient use, clear labeling), and transparency (overall access and trust) factors in making their food spending decisions This trend has created a market opportunity for new businesses to capitalize on shifting consumer tastes and has prompted established brands to fulfill evolving customer expectations
Key Requirements or Value Chain	<ul style="list-style-type: none"> Favorable permitting Access to mid-to-high income consumers Parking
Specific Role/Opportunity for Natick	<ul style="list-style-type: none"> Development across the food services industry in currently underserved town centers facing excess demand Opportunity to target small and mid-tier newer companies emerging with new market trends as well as larger businesses embracing changing market dynamics New development will concurrently cultivate more vibrant, livable centers
Natick Competitive Advantages	<ul style="list-style-type: none"> Good population density High household incomes Existing demand for expansion of food services in town
Natick Competitive Weaknesses	<ul style="list-style-type: none"> Poor accessibility (parking, traffic, limited public transport) Slow/Difficult Permitting Process Water & Sewage costs

Life Sciences – R&D, Medical IT	
Specific Description	<ul style="list-style-type: none"> Life sciences encompasses companies in biotechnology, pharmaceuticals, and medical technology Functions across the value chain include R&D, manufacturing, commercialization, and distribution
Current Industry Outlook	<ul style="list-style-type: none"> The industry faces the dual demands of demonstrating market value through increased innovation while also minimizing costs in the face of growing pricing pressures, increasing the focus on R&D productivity

	<ul style="list-style-type: none"> • Additionally, these imperatives are necessitating stronger IT units focused on updating and upgrading, esp. to new advancements in cloud technology and analytics → estimated that IT spending in the Life Science sector will reach \$54 billion by 2019 and grow 5% annually from 2015-2019
Key Requirements or Value Chain	<ul style="list-style-type: none"> • Existing industry cluster hub • Proximity to universities
Specific Role/Opportunity for Natick	<ul style="list-style-type: none"> • R&D in Biotechnology and Medical Technology subsectors • Medical IT
Natick Competitive Advantages	<ul style="list-style-type: none"> • Highly educated workforce • Existing base industries in computer and electronic product manufacturing, chemical manufacturing, information, and data processing • Location adjacent to Greater Boston universities and life sciences hubs provides entry opportunity in specialized areas
Natick Competitive Weaknesses	<ul style="list-style-type: none"> • Needs base companies to cultivate and attract industry cluster

Action Plan

The Town of Natick can and should provide active leadership in pursuing the plan to build economic sustainability and growth. This plan must include:

- A coherent and shared vision for Natick’s economic and development future
- Marketing to elevate Natick’s profile and development efforts
- Networking to allow Natick to leverage others’ resources and “punch above its weight”
- Education, Workforce Development, and Resident Attraction to ensure economic opportunities can be met
- Infrastructure enhancements to support meaningful growth.

When describing action, it is important to remember the role of the Selectmen (as well as Natick DCED and the Planning Board) as critical components to – but not the only players in – the County’s economic success. Hence, it will be incumbent upon the Town to align with other local partners to execute upon this action plan.

The Town should work with and advise local industry, tourism, government, educational and residential partners to accomplish the following within the next five years. Each of the actions below has been described in detail and – where possible or appropriate – given a current state baseline, a competitive rationale, and a performance target to be met in the indicated timeframe.

The actions are summarized as follows:

Goal: Coordination and Organization

Improve the coordination of the economic development program to municipalities, economic development organizations, the county and other partners to be able to respond effectively to site selection and business inquiries. Bridge the gaps that exist within the county’s communities and within the region.

Action	Description & Purpose	Primary Responsibility	Secondary Responsibility	Timeline
Economic Development Vision	Use the results of this report and the following Comprehensive Plan to develop a local dialogue on Economic Development, identify and address issues, and address consensus and buy-in among residents and stakeholders	Natick EDC		Immediate

Dialogue with Existing businesses	Establish means for continually engaging with the companies already in place, speaking with them about what is happening in their business process, and using this as a vital information collection task.	Natick DCED, EDC		Immediate
Regional Coordination	Be active in select regional groups (495/MetroWest Partnership, MassEcon, MetroWest Chamber of Commerce) to assure the Town is properly represented by these economic development marketing entities. Also visit with the economic development agencies of competing regional areas, such as Western Mass EDC.	Natick DCED, EDC		Near-Term
Regional Coordination	Identify those economic development efforts that will be more successful at a regional level and work to build the networks to make those happen	Natick EDC	495 MetroWest Partnership, Metro West Chamber, MassEcon	Immediate
Ombudsman/Concierge Service	Single point of contact, make it clear on website. Able to collect all materials and interact with all departments & orgs. Single point of contact has a benefit - Benefit to community is the transparency, transactions, permits will all be properly executed.	Natick DCED, EDC	Staff in all gov't.	Immediate
Confirm Development Areas and Develop Expedited Zoning/Permitting for those Areas	Adopt fast track permitting for selected commercial areas	Natick DCED, EDC	Planning Board	Near Term (1-2 Years)

Town or Regional EDO	Explore creating an organization specifically tasked with reaching out and establishing relationships with existing businesses and businesses interested in Natick. Create an economic development partnership that includes local government and local business - It is LIKELY that Natick will be too small a municipality to support this alone, so investigate partnering with other compatible municipalities. (Ensure that this is coordinated with and supports the regional approach identified above)	Natick DCED, EDC	Surrounding Town EDC's or similar	Near Term (1-2 Years)
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Goal: Address Regulatory Policy and Procedure

Review and enhance both the policy framework and the means by which it is applied in responding to new or expanding businesses wishing to locate in Natick, MA. This includes zoning, land use, permitting, utilities, and other prime interfaces between the applicant and the public sector.

Action	Description & Purpose	Primary Responsibility	Secondary Responsibility	Timeline
Local Economic Development Dialogue	Develop a more effective local dialogue about change and economic development	Natick DCED, EDC		Near Term (1-2 Years)
Modernize Zoning in Commercial Areas	Revise and modernize zoning to allow for common current uses and flexibility by-right. Allow for mixed uses	Natick DCED, Planning Board, EDC		Near Term (1-2 Years)
Review Planning Board Process	Through the zoning reform process, ensure that most modern uses in appropriate areas are permitted as of right. Reduce need for special permit process, increasing predictability for both neighbors and for business	Natick DCED, Planning Board		Near Term (1-2 Years)
Formalize Coordination Among Boards and Departments	Formalize the current practice of assembling a task force of members of the permit and license issuing boards as well as representatives from the EDC and Planning Board to review significant new projects	Natick DCED, EDC, Planning Board	Staff in all gov't.	Near Term (1-2 Years)

Goal: Marketing and Outreach

Improve the image of the Town's businesses and economic development programs both within and outside the Town. Shift perceptions of existing businesses and opportunities.

Action	Description & Purpose	Primary Responsibility	Secondary Responsibility	Timeline
Create ready facts on websites	Have selected data from the database on the new Town economic development website, and provide this data to other economic development entities in the Town, and regionally. Salaries, education rates, unemployment, crime, quality of life, climate, population growth, working age, and labor force growth, state tax comparisons, etc. Also ensure that the website includes specific contact information for key individuals within Town government.	Natick DCED, EDC		Immediate
Link websites	Provide links to partner websites. Include regional partners, educational institutions, and selected state resources	Natick DCED, EDC	495 MetroWest Partnership, Metro West Chamber of Commerce, MassEcon, Mass Development, MOBD	Immediate
Monitor competition	Review best practices annually with competitors	Natick DCED, EDC		Immediate
Communicate with residents	Develop a Publicity Campaign to Town residents through Social Media, the Town's Economic Development Website (with links from municipal and partner agencies), and other media on economic development activities, company profiles for awareness development, information on who to see for business development, and other items of interest. Emphasize the successful businesses in the Town to counter the image that the Town is primarily public sector employment.	Natick EDC		Immediate and ongoing

Monitor references	Reference Monitoring Campaign of references on the Internet to the Town on issues affecting its image and economic development, and have a response plan. Do a Google search of Quality of Life related websites for their reviews and comments on the Town's Quality of Life and respond to inaccurate or misleading information	Natick DCED, EDC		Immediate and ongoing
Develop logo and enhance brand	Develop a Town's Economic Partnership logo that is included on all Town economic development material.	Natick DCED, EDC		Near Term (1-2 Years)
Develop an overall marketing program to enhance the brand and image outlined above	Develop an image program that is strongly and regularly coordinated in goals, message, efforts, and scheduling to optimize the use of resources, reinforce messages, and avoid the use of conflicting information. All external marketing messages must agree with marketing messages used within the Town to residents and businesses.	Natick DCED, EDC	Regional Partners	Near Term (1-2 Years)
Website improvement	Website improvements (contact information)	Natick DCED, EDC		Near Term (1-2 Years)
Create Town-wide Economic Development guide	Economic Development handbook	Natick DCED, EDC		Near Term (1-2 Years)
Coordinate available properties	Consider coordinating available properties listings and create uniform listings, post to regional sites as well. (See Utah Suresites for an example of a real estate website that shows all available properties.)	Natick DCED, EDC	Natick Planning Board, Regional Partners	Medium Term (3-5 Years)

Goal: Infrastructure

Improve the quality of place for people who work, live and play in Town. Ensure that there is appropriate planning and investment in infrastructure to support development and quality of life.

Action	Description & Purpose	Primary Responsibility	Secondary Responsibility	Timeline
Infrastructure Study	Conduct an infrastructure study to create a detailed infrastructure inventory or the areas, natural gas, electric, utilities, water sewer, transit and broadband	Natick DCED	MassDOT, NationalGrid, Eversource, telecomm providers	Near Term (1-2 Years)

Electric Utility Improvements*	In addition to reviewing capacity, work with local electric utility to more fully engage them as a reliable economic development partner	Natick DCED, EDC	Eversource	Near Term (1-2 Years)
Improve general access to key commercial areas	Identify key roadways to ensure that capacity for necessary freight movement is possible. Design roadways to maximize flexible, comfortable use among freight, automobile, bike, and pedestrian	Natick DCED	MassDOT, Regional Partners	Medium Term (3-5 Years)
Access to employees and transportation	Ensure that multi-modal transportation plans address all current and potential future employment areas. Innovatively use alternative transportation opportunities (former rail ROWs). Ensure that public transportation functions as a cohesive and coherent system.	Natick DCED, EDC	MassDOT, Regional Partners	Long Term (5-10 Years)
Planning for water and sewer	Ensure that water and sewer planning is in place to address future commercial expansion	Natick DCED	MWRA	Long Term (5-10 Years)

*During the interview process, several businesses (particularly those in the East Natick Industrial Park) noted significant difficulties in working with the local electric utility service. Power is interrupted frequently, and one business noted that their computers were offline for over two days. Likewise, the utility itself is seen as a very poor partner – unresponsive and not helpful to business. One interviewee noted that this issue alone has resulted in them to very seriously consider expanding in another state rather than growing in Natick.

Goal: Expand Business Attraction and Retention

Encourage business retention and expansion through improved information and clear marketing. Commit to effective business assistance programs which provide a return on investment. Become a place that is recognized for simple, swift development permits and approvals which foster high growth. Support recruitment and creation of new businesses.

Action	Description & Purpose	Primary Responsibility	Secondary Responsibility	Timeline
Advantages of Natick	Develop an Advantages of Operating a Business in Natick marketing material in both hard copy and electronic formats clearly stating the advantages of operating a business in the Town, supported by existing business endorsements and that can be used for prospect inquiries.	Natick DCED, EDC		Immediate

Peer to Peer	Create a peer to peer business group around shared needs, i.e., workforce, infrastructure. Group will also provide needed insight into competitive wins and shortfalls in real time	Natick DCED, EDC		Immediate
Site Selectors and Target Industry Outreach	Connect with site selectors and with governor's office to increase awareness and presence of Natick in site location searches	Natick DCED, EDC	495 MetroWest Partnership, Metro West Chamber of Commerce, MassEcon, Mass Development, MOBD	Near Term (1-2 years)
Industry Focus	Focus on base industries: Life Sciences, Food Services, Entrepreneurship, Health Care, Financial Services	Natick DCED, EDC		Near Term (1-2 years)
Marketing Materials	Develop marketing materials for Target Industries which highlight items appropriate for those industries (what are the three or four things that matter most to each?). Materials can be both printed and published on website. Focus on retaining current manufacturing business and attracting new. Also feature key economic engines geographically – Rt. 9, Natick Center, and main industrial parks, Golden Triangle	Natick DCED, EDC	495 MetroWest Partnership, Metro West Chamber of Commerce, MassEcon, Mass Development, MOBD	Near Term (1-2 years)
Capital Availability	Work with area SBA and local financial institutions to create capital packages for expanding businesses: identify potential growth businesses and mentor	Natick DCED, EDC	Mass Development	Medium Term (3-5 Years)

Detailed Recommendations

We worked with the current Department of Community and Economic Development as well as the Economic Development Committee to explore how to more effectively align the Town's resources and capabilities with the opportunities identified earlier. This is a conscious blueprint for clearer focus, defined activities, and resourcing. It also provides strategies for effectively and efficiently utilizing financial and staff resources.

Overall, Natick presents itself as strong in the region. According to the reverse site selection model, it scored first overall. However, its weaker scores were related to housing data, cost of living, and ease of access. **Looking towards the future, labor talent is going to be of great concern across the country for two reasons: 1) The Baby-Boomer generation is rapidly retiring and 2) The Millennial generation has widely different habits and ways of life.** This dynamic is changing the type of housing demand, the way office parks and downtowns provide quality of life, and how connected centers of employment are with cultural centers and living accommodations.

Key Recommendations

- Streamline permitting process. Based on our interviews with businesses, brokers, and other stakeholders in the business community, there is a perception that the Planning Board occasionally oversteps its statutory authority.
 - Clarify Planning Board's actual scope
 - Create Fast Track process for Qualified Projects (define qualified projects)
- *Diversify the variety of housing (by type, size, price) – limited housing options extend commute times and traffic by forcing workers outward. This makes an area less attractive as a business and labor destination*
- Downtown – wayfinding and simplified parking, more restaurants and bars
- Overhaul zoning to anticipate future of retail and office parks

By simultaneously addressing the following strategies, Natick will make itself an attractive option for business and labor alike, while mitigating traffic congestion and parking woes as much as can be expected. It is a sustainable solution to ensure continued economic success for the Town.

Institutional Consensus Building

Institutional consensus building is one of the most critical components of effecting an Economic Development Plan – without a common vision, the Town's various institutions risk misalignment and may fall short of their efforts. Throughout this process, ICA has noted differing objectives and philosophies between the Department of Community and Economic Development, the Finance Committee, the Planning Board, and the Zoning Board of Appeals. This finding was especially supported by interviews and conversation with business owners and prospective business applicants. As a result, the discord (whether perceived or not) has discouraged the ease of doing business.

It is absolutely critical that these institutions come together and achieve agreement on what growth should be, what it looks like, and what the path is towards achieving these goals. Is it business attraction? Is it housing development? Are zoning changes required to achieve such aims? Is Economic

Development a combination of all three? Once a consensus is achieved, the Town will find that achieving its objectives will meet less roadblocks.

Organizing for Success

In addition to knowing its goals, its capabilities, and aligning its regulatory framework accordingly, the Town of Natick must ensure that it has the organizational structure in place necessary to:

- Engage with and serve the companies already in place
- Welcome and assist companies looking to invest in the Town
- Market the Town as a place to do business
- Provide a process for continual improvement

Some of these activities may be achieved through Town professional staff and/or through volunteers. Still others may benefit from the involvement of the private sector or through a non-profit. The exact best practice for each activity will depend in part on whether the Town wishes to proceed on its own or to act regionally, and these approaches are not mutually exclusive. In other words, choosing to act alone in one arena does not preclude regional collaboration in others, so long as the efforts are coordinated appropriately.

Engagement with Current Companies

In order to be successful in long-term economic development, the Town must first and foremost understand its relationship with its current businesses. The current study has taken the first steps in this process by speaking with several of those businesses and helping the town to understand its strengths and weaknesses both in terms of cost drivers and in terms of the relationship between public and private sector.

This report has highlighted several specific tasks that the town can undertake to improve the relationship, including but not limited to addressing the towns zoning and permitting policies, and the processes and boards that have responsibility for implementing those policies.

In addition to this, **the Town must establish means for continually engaging with the companies already in place, speaking with them about what is happening in their business process, and using this as a vital information collection task.** This will allow the Town to understand businesses that are struggling and identify the means by which the Town can intervene if it chooses to do so. It can also help identify companies that require assistance if the Town chooses to provide it. The Town can also highlight opportunities for business expansion, or for business recruitment.

By the very nature of this task, these activities are best performed by professional staff within the Town supplemented by the Town's economic development commission or an analogous organization.

Recommended Actions

- Identify team of Natick town staff and EDC members to make visits
- Create list of up to 10 different businesses of varying sizes, locations, and industries to be visited per month

- Create reporting mechanism to EDC and to relevant Town Boards and Departments

Welcome and Assist Companies Looking to Invest in the Town

Conversations with existing businesses will also continue to highlight areas where businesses require assistance in dealing with the mechanisms of government. Typically this takes the form of identifying required permits, understanding the regulatory process, working with utilities, and even working to ensure a good talent pipeline.

The Town should establish within its professional staff the position of business ombudsman. Either within the planning department or a dedicated economic development department, the Town should have at least one and possibly several individuals whose job it is to interact with the business community on a regular basis and be on call to respond to business needs and questions.¹

This individual or team should have complete knowledge of the regulatory and permitting process, the permits that may be required, and should be prepared to act as a conduit between the businesses and those parts of city and state government with responsibility for those permits. The individual or team in question should also be aware of programs that are available at the local or state level to assist businesses – these could include but are not limited to specialized training, partnerships with local educational institutions, credits and incentives.

Because of its role, this function works best when it is within local government.

Recommended Actions

- Create job description for ombudsman position within Town staff
- Identify individual(s) within town staff or hire new
- Work with Boards and Departments to identify all require business permits
- Use task above to also identify “task force” of representatives from key boards and departments to meet with applicants as appropriate
- Develop “permitting maps” to help businesses prepare for regulatory process and anticipate time to complete
- Develop capacity to handhold companies as they pass through the permitting process

Market the Town as a Place to do Business

By working more closely with existing business and through establishing a business concierge or ombudsman function, the Town will then be ready to respond to inquiries about inward investment to Natick. Without such organizations in place, the Town would be attracting attention that it would not be able to respond to. By having these organizations in place, the Town would then be prepared to respond to such inquiries.

Marketing Natick to the outside world involves having an appropriate online presence in the form of a website, social media, automated mailing, and other push mechanisms. It also requires individuals who

¹ The EDC should additionally be activated to act as liaison and provide support. However, even with an activated EDC, the coordinating role of business ombudsman is still needed.

are able to network with location decision makers and consultants, and also to create a market presence of Natick within the appropriate audience.

As a relatively small municipality, the Town of Natick will necessarily be limited in its reach if it decides to go on its own. Hence, we recommend that there be multiple levels of effort on the part of Natick – and that some of these be done independently, and some in collaboration with its regional partners.

Recommended Actions

- Confirm local, regional, national, and international industry and consulting audiences for Natick's offerings
- Determine which of these audiences Natick will be able to effectively reach and engage with on its own, and which will require a larger organization/impact
- Develop appropriate marketing for the following channels:
 - Print (brochures, one-pager)
 - Web-based
 - Facebook
 - Twitter and other social media
 - Emailing campaign
- Identify individuals for Natick's role in the items above
- Identify and engage regional partners for the higher mass items above

Process for Continual Improvement

Lastly, the Town of Natick must have within its operating DNA the habit of continual self-examination and self-improvement. The processes which have resulted in this economic development plan are replicable and maybe updated on a regular basis. More importantly, the organizations described in this section must put forth appropriate metrics that they can examine on a regular basis and make course corrections. Appropriate metrics shall include:

- Number of meaningful interactions with industry and consultants
 - Meetings from which key takeaways are learned, actionable feedback for town, and/or possible leads
- Job creation
- Capital investment

Recommended Actions

- Develop and confirm metrics
- Confirm process for annual review and follow-on action

Ongoing role of the EDC

Within the context of the organization and activities laid forth above, the EDC should take on an active role in conversing with existing businesses to understand their challenges and opportunities, should assist in developing the job description for the ombudsman function within city, should coordinate the efforts of marketing the Town, and should be the organization with proximate responsibility for

administering the metrics for economic development success. In addition to these, the Town and EDC may choose to evaluate whether the EDC may take on the role of marketing the Town directly, whether in its current form or as a public private partnership.

Marketing Diagnostic

The marketing diagnostic examines how well the Town of Natick's current marketing and outreach efforts correspond to its true strengths, weaknesses and opportunities in the corporate, industrial, and other relevant markets. Much of the marketing review will be based on research, including information captured in Task 2. However, our economic development experience is core to this process and the fact that members of our team have all been site location practitioners will help us determine what is realistic and impactful, and what is "pie in the sky."

Target Audiences

- Town of Natick Companies
- Prospective Companies Outside the Town
- Community Members
 - Employees
 - Residents
 - Land Owners
- Visitors
- Partners/Allies
- Multipliers (i.e. brokers, site selection executives, and corporate executives with relocation responsibilities)
- Media

Branding and Messaging Analysis

Branding needs to evolve from the current (confused) state to one of a cohesive vision and feel. The brand needs to:

- Identify where Natick is located
- Support economic development from the perspective of investment promotion and tourism
- Create a brand that supports all of the other departments and services in Natick
- Consider what it means to a potential investor
- Create overall awareness of the Town
- Project a unified front and a group of agencies and departments that work together and cooperate for the greater good

In a perfect world, the Town should develop a cohesive brand that includes:

- Town-wide branding guidelines
- Unified key messages
- Website branding guidelines
- Templates

- Letterhead
- PowerPoint presentations
- A complete suite of support documents
- Business cards
- Brochure

In order to efficiently implement the plan, you first need to create key messages that present a positive image for Natick, highlighting the area's attractive business climate. Establishing the right key messages is important as they will be communicated to target audiences through various platforms including business development activities, media outreach, collateral materials, and social media channels.

Primary Key Messages

Background

Every location needs an introduction to establish its identity in the mind of a potential investor, client, or even visitor. This would be a brief snapshot of Natick's history, culture, and economic advantages before presenting more targeted messages that highlight its strengths in more detail.

Educated Workforce

One of Natick's key strengths is its educated workforce. 68.38% of its population possesses at least a Bachelor's degree, while 32.50% of its population possesses at least a Graduate/Professional Degree. This means that Natick's workforce enjoys the skills necessary to attract industry that requires highly-skilled labor. The Town of Natick should focus on this competitive edge as one of its primary strengths, with messaging catered towards the industry sectors that it hopes to grow.

Strategic Location

Although traffic and congestion is a drawback, Natick's strategic location is one of its best qualities. The Town should stress the fact that its position along MassPike and Route 9 give it excellent access to markets, especially being situated between Boston and Worcester. What's more, its strategic location also places Natick within a highly-advanced workforce (as mentioned above).

Industry Base

Natick first needs to highlight its current industry bases (Information Technology, Professional and Business Services), while also driving a message aimed at the industries outlined in the opportunity match grid. A common strategy is to highlight business success stories and feature testimonials from business owners themselves. Endorsements from the business community itself mean just as much (if not more) to prospective businesses and investors than the word of the Town alone.

Quality of Life

Although the reverse site selection model reflected that Natick's Quality of Life is average, this was driven by its high cost of living. However, in today's market, quality of life has greater importance when it comes to attracting and retaining business. When it comes to Quality of Life, Natick should highlight the aspects that it is strong in: it has a family-friendly environment with low crime rates, excellent retail, and an aesthetic downtown. Nature also plays a role and should be highlighted as well – Natick's trails and lakes are an asset.

Social Media Analysis and Recommendations

Through utilizing social media channels, Natick can establish a brand, connect with target audiences, and engage them with relevant content to turn them into brand advocates. Natick's social media platform should increase the overall awareness of business climate and showcase the Town through posting of client activity, regional and state economic news and articles, and overall industry news. Additionally, social media outreach should drive traffic to the website when possible.

Getting Started

Starting a social media program from scratch can prove to be difficult. To simplify the process, we've outlined the following steps for Natick to develop their new social media pages.

- Decide who will handle the Town's social media engagement for Economic Development
 - Determine if someone on staff can manage social media outreach
- Determine allotted time per day/week to focus on social media (at least 3-5 hours per week)
 - Develop social media policy and guidelines
- Identify opportunities to develop content that supports your goals
 - Local events
 - Key business, education, and community leaders
 - Company news and developments
 - Industry news and trends
 - Tourism activities
- Leverage business travel including conferences through hashtags, contests and prize giveaways
- Populate social media calendar with evergreen posts for slow news days
- Connect with local and regional companies and other partners on all social media channels
- Include photos/videos of companies within Natick and possibly video testimonials of company representatives who can speak to why they chose to locate there
- Video testimonials can be posted on the Facebook page
- Share social media tags throughout the Town via the newsletter
- Add the social media tags on each staffers email signature
- Create Economic Development social media calendar and integrate with Town of Natick's social media calendar, coordinating with the Town's Social Media Manager

Social Media Platforms

Below are the social media platforms that typically require a presence in order to maximize audiences:

1. LinkedIn

- Audience: Multipliers, consultants, business executives, companies, journalists (once you've worked with them)
- Suggested username: Town of Natick

Leveraging LinkedIn is important for Natick since this platform has more of a business mindset. This platform can reach a community of professionals including economic, business, or MA-related groups. Connecting with these groups will be a great place to share development and industry news and to

make new contacts. LinkedIn is also the optimal platform for connecting with multipliers, consultants, and business executives. Natick should encourage current and new staff members to create LinkedIn profiles.

In addition to joining sector specific groups, ICA suggests following relevant LinkedIn groups such as:

- MetroWest Chamber of Commerce
- 495/MetroWest Partnership
- MetroWest Visitor's Bureau
- Massachusetts Economic Development Council (MEDC)
- MassEcon
- MassDevelopment
- The International Economic Development Council (IEDC)
- Economic Development Professionals
- Economic Development 2.0
- Economist Intelligence Unit
- Site Selection Network

2. Facebook

- Audience: Companies, community members, allies, Town of Natick residents, current and potential workforce

Natick Community and Economic Development have a significant challenge on this platform: since it is not a stand-alone organization, it is under the umbrella of the Town government and thus, its Facebook profile. Therefore, it has to share space with all other social media content driven by the Town. The Department should work with the Town's Social Media manager to schedule posting important Economic Development content on a regular basis. A particular item of note: make sure the logo and banner photos are high quality. As of right now, both are low resolution and appear pixelated and unprofessional.

If it hasn't done so already, we suggest following relevant Facebook pages including:

- Local and Regional Companies
- The International Economic Development Council (IEDC)
- Partners/Allies
 - Discover Natick
 - MetroWest Chamber of Commerce
 - 495/MetroWest Partnership
 - MetroWest Visitor's Bureau
 - Massachusetts Economic Development Council (MEDC)
 - MassEcon

3. Twitter

- Audience: Companies, journalists from target media list, allies, community members, Town of Natick natives, current and potential workforce

As mentioned with Facebook above, Natick Community and Economic Development have a challenge on this platform: since it is not a stand-alone organization, it is under the umbrella of the Town government

and thus, its Twitter profile. The Department should work with the Town's Social Media manager to schedule posting important Economic Development content on a regular basis. An example of relevant media and journalists that ICA suggests following on Twitter include:

- Natick allies such as:
 - Discover Natick (@Discover Natick)
 - MetroWest Chamber of Commerce (@MCPc)
 - 495/MetroWest Partnership (@495MWptnership)
 - MetroWest Visitor's Bureau (@VisitMetroWest)
- Companies within Natick's key industry sectors including MathWorks (@MathWorks), Natick Mall (@NatickMall), Natick CoWorking (@NatickCoWorking), Cognex (@Cognex_Corp), TCAN (@natickarts), etc.
- Journalists from target media list
- Organizations and conferences that Natick would be interested in attending
 - IEDC (@IEDCtweets)
 - WORLD FORUM for FDI (@WorldForumFDI)
 - Site Selectors Guild (@SiteSelectGuild)

Website Review Analysis & Recommendations

Summary of Findings

ICA reviewed the Natick website and found a number of areas where improvements can be made to the site design, navigation, and content. Natick Community and Economic Development is at a disadvantage in terms of web marketing because it is not its own economic development corporation. As such, it doesn't possess its own website with deep content, instead limited to a webpage on the Town of Natick's government website. The following were concerns flagged from the Natick Community and Economic Development webpage.

- Format
 - Static layout
 - Economic Development webpage only has one level; no drop down options for tabs
- Content
 - Lacks updated news and press release section specifically related to economic development efforts
 - Missing contact information
 - Lack of individual industry pages with overview and example companies
 - Lacks data-driven value proposition to potential businesses and site selectors
 - Needs greater website integration with social media presence (LinkedIn)

Town of Natick Website Recommendations

Home Page

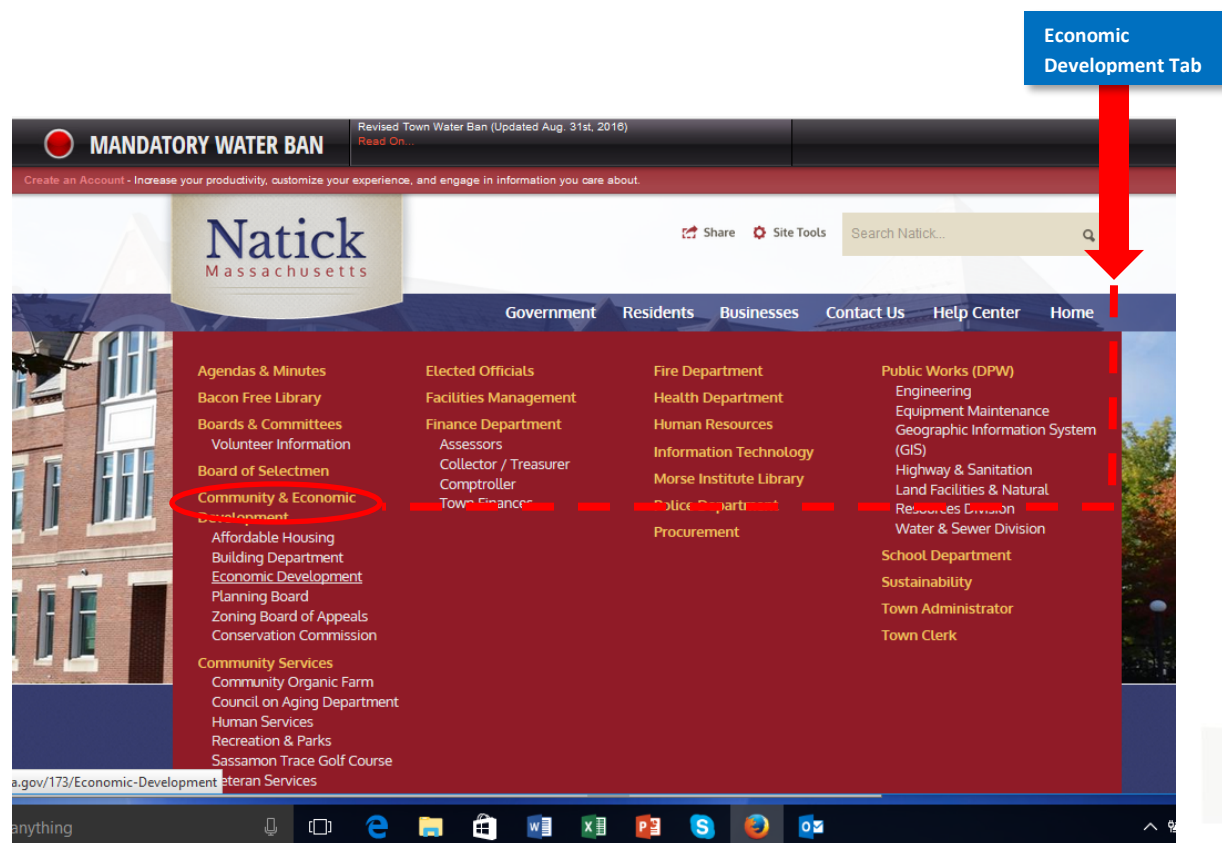
A good measure of a home page is whether a visitor can tell at-first-glance what the company or organization does and what can be achieved on their website. It's pretty clear upon arriving at the Town of Natick's home page that the theme is citizen-focused with the red, white, and blue colors, and community landmark imaging found on banner of the homepage. While this theme is slick, modern, and well-built for citizen information, is not very friendly for outside businesses looking for critical site

location information about Natick. Industry sectors and companies could be better communicated throughout the website (on the home page and also through a separate tab).

However, it does provide accessible and pertinent information for businesses already prepared to locate in Natick – by providing a drop-down menu directing them to resources for registration, permitting, and zoning.

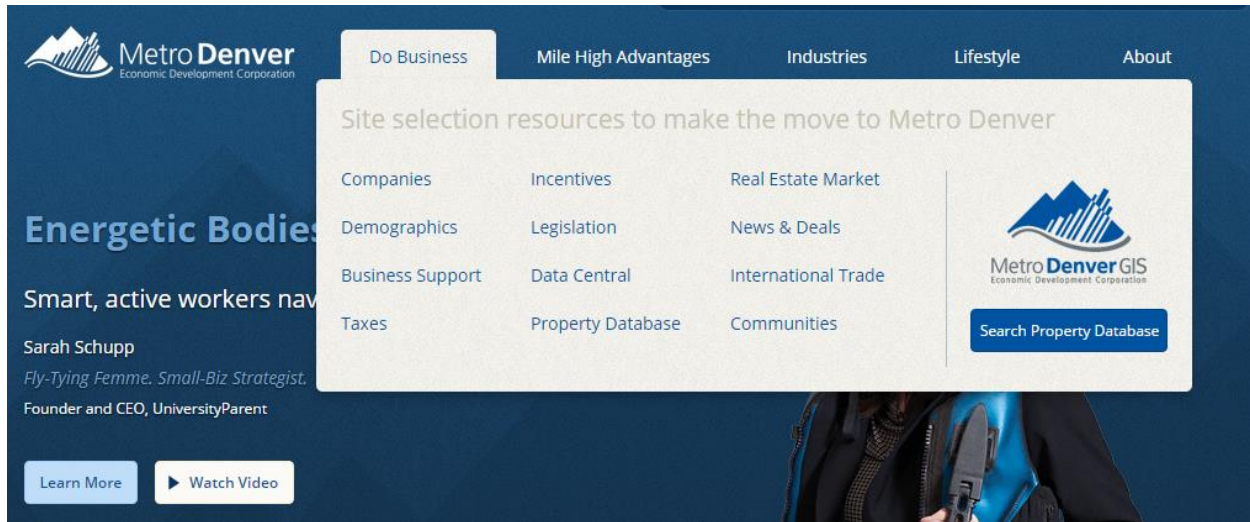
Navigation

The main site navigation is intuitive, with most information accessible at the top bar as a series of drop-down menus. By placing the navigation at the top of the page, the more content can be placed horizontally across the page instead of continuously scrolling down. We also think an important tab is missing and could be added to the navigation such as a Site Selector/Economic Development tab.



As far as the levels of navigation, the webpage on Economic Development is fourth level, which is three sub-sites down from the homepage. For site selectors and businesses interested in relocation, this is a problem, particularly because it would not be obvious to someone navigating whether to find site selection information under the Government or Businesses tab. The 4th-level navigation does not facilitate ease-of-access to critical Economic Development information. By creating an Economic Development tab that would also be linked to its current placement under the Community and Economic Development section at the third level, it would enable easier/more visible access to Economic Development information as well allow for deepened content.

An example of information that could be found in the 2nd-level Site Selection/Economic Development tab can be seen below. More on what the exact recommended content will be described under [Content](#).

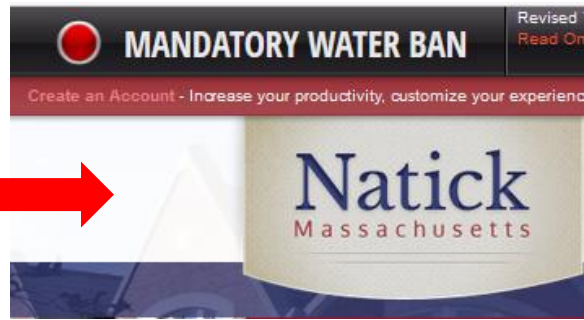
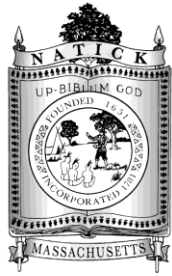


Another aspect of navigation to consider when updating website is to make sure the improvements are also made in the mobile website. Many people are conducting business through their mobile devices as opposed to a desktop computer or even a laptop. Having a website that can be easily transitioned to a mobile phone will be a huge asset when interacting and networking with companies and business executives. For instance, making the “Menu” button larger and more visible would improve mobile user-interface. Adding the “Economic Development” tab to the other 2nd-level tabs (Government, Residents, Businesses, Contact Us, Help Center, Home) would alleviate difficulty in finding economic development information at the 4th level.

Page Design

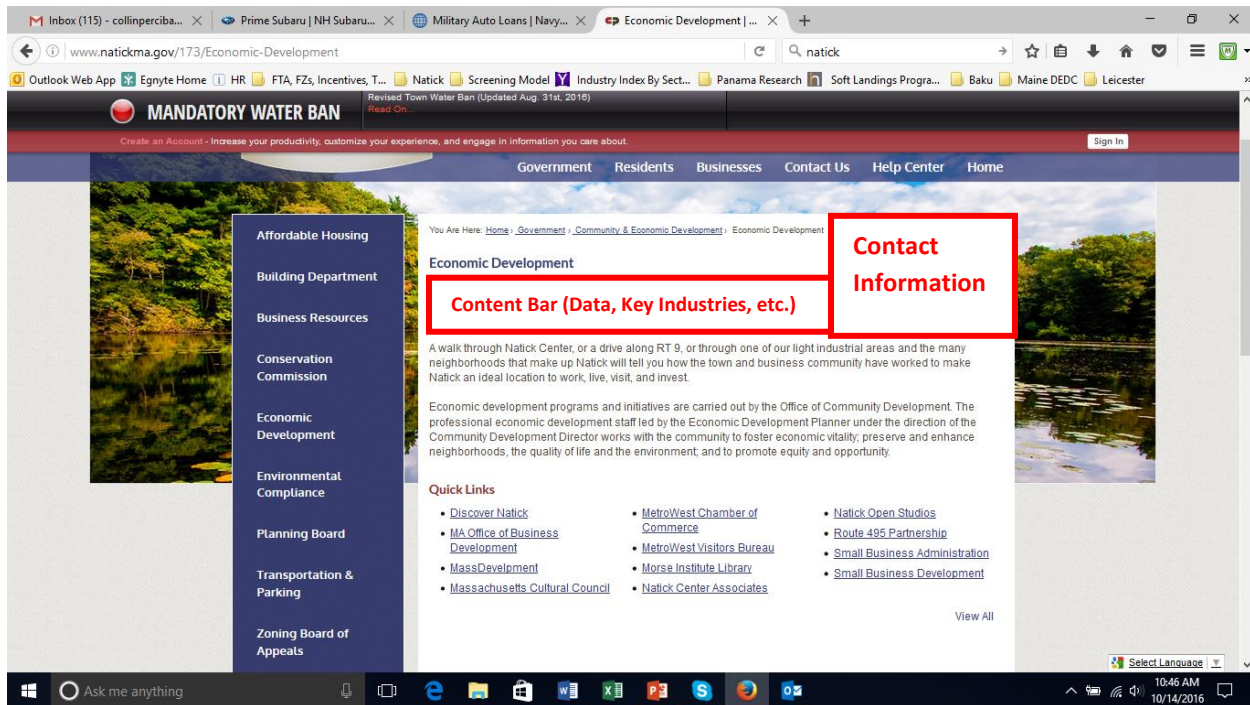
Overall, the Town of Natick’s website has an attractive and updated design. The banner photography is high quality and displays the Town’s landmarks, evoking a greater sense of identity which is well tailored to its citizen focus.

However, Natick is underutilizing its brand potential by failing to feature a logo, such as the Town’s seal, at the top left corner of its website. Perhaps the Town is attempting to distance itself from widespread use of its seal due to historically sensitive considerations. In this case, Natick could more effectively brand itself by creating a Town logo. (It should be noted that both the Facebook and Twitter profile images of Natick utilize the Town’s seal).



Content

While the current Natick website has good background information and resources for citizens and businesses in need of bureaucratic resources, the content featured on the website presenting the area as a business-friendly environment is severely lacking. ICA suggests that Natick populates the Economic Development webpage with an increased density of industry sector narratives, data, imagery, and marketing pieces.



As seen in the image above, Natick's Economic Development webpage only provides a cursory explanation of itself as a desirable place to do business and foster economic growth. It is helpful that the page prominently displays Natick's partnerships. However, as a data-driven site selector, the MetroWest Chamber of Commerce and Route 495 Partnership websites are also lacking when it comes to facilitating this need. Also, this page provides no staff contact information where other pages normally do. If someone were to navigate directly to this page from the home tab, they would have to search further in order to find the contact information of the Director of Community & Economic Development.

Secondly, the information on this page needs to go far deeper in order to be of any utility for site selectors and prospective businesses. The Economic Development webpage should have sub-sections within itself, much like the MetroDenver example noted above. These 5th-tier sections should provide content such as:

- Data
 - Demographics, Labor force, Quality of Life, etc.
- Taxes
- Real Estate/Property Database
- Business Assistance
 - Incentives, Workforce Development and Training, Entrepreneurship, Small Business Assistance

- Key Industries
- Tourism & Hospitality
- Infrastructure and Assets
 - Transportation, Business & Industrial Parks
- Regional Map

Having these content categories directly accessible from a 2nd-tier Economic Development tab at the top bar of the homepage would greatly improve the website's friendliness to site selectors and prospective businesses. This content should come in the form of narratives, media, and data. For instance, Natick should create copies concerning its main industries and present this in narrative form. An explanatory video summarizing Natick's business case for attraction and expansion would also be more engaging. A Regional Map prominently demonstrating Natick's market access through its proximity to major cities and transportation infrastructure would help support this case.

Social Media Integration

Although the Town of Natick does have a social media presence on Twitter and Facebook, neither of these are well integrated with the website. Recent Tweets are not featured on the website. We recommend utilizing the actual social media logos in order to quickly draw the eye of users. ICA also recommends the creation of the LinkedIn account be targeted towards Economic Development efforts, since the platform is geared towards businesses and professionals instead of private users. After the account has been created, the updated website should include links to staff members' LinkedIn profiles on their bio page.

Zoning Recommendations

Our zoning review found the following main points:

1. Natick's current zoning is inadequately suited for current market trends, thus causing a deficiency in best use of space. Given the lack of industrial space, Natick is forced to focus more on suburban office environments. Yet between the restrictive zoning laws and the direction that suburban office trends are heading (demanding mixed-uses), there is a disconnect.
2. Current zoning creates low-walkability and encourages auto-dependence. This is due to excessive setback and parking requirements.
3. Overlay zones largely supplant base zoning, suggesting an overhaul of base zoning would be more appropriate.
4. Special attention should be paid to parking and signage regulation.

Natick's current zoning creates barriers to the evolution of office and commercial areas to flexible, integrated mixed-use in line with current market trends for suburban office parks ([City Lab](#); [NGKF](#); [ULI](#); [Boston Globe](#)).

Many office park areas are transforming themselves incrementally with more dining, retail, residential, and non-office commercial businesses. This wider range of uses accomplishes several objectives: it provides more amenities for office workers, aiding in recruiting and retention, it creates vitality and community throughout the day and week, and it spreads traffic and parking demand across the day and

week, thereby allowing greater total density and value. Similarly, commercial areas are recognizing the importance of walkability and creating a sense of place as key competitive requirements for both office users and other commercial businesses. The ability of an office worker to walk to lunch, rather than driving, for example reduces traffic, enhances community, and improves health.

Natick's existing use regulations for these areas are typically overly restrictive and specific, creating misalignments with actual impacts or present market demand. The reduced range of allowed businesses means that these parcels may not be occupied by the highest value land-uses. In line with best practices in contemporary zoning, we recommend reducing Natick's reliance on use-based restrictions and expand the range of permitted uses. Some specific examples include:

- Business or Professional Office are permitted by right, but should be expanded to include R&D, medical office (eliminate 2,500 SF cutoff), and veterinary (remove 200' restriction for veterinary hospital as this is prohibitive for many parcel, address overnight boarding specifically if this is the source of concern);
- As a critical item, restaurants/cafes should be permitted by right, including entertainment and outdoor eating. Workers want choices in where they eat, not just cafeterias;
- Permit craft, consumer, professional, or commercial services establishments by right (currently not permitted in the In-I or In-II);
- Permit retail by right—it may be worthwhile to consider some restrictions to preserve principally office character of area. For example, limiting the percent retail (<50%) for parcels over a certain minimum size (40,000 SF); a more detailed study of market and parcelization would be required to set correct thresholds;
- Permit indoor and outdoor amusements by right, remove 100' buffer requirement for indoor (makes southern side of Strathmore unusable for this use);
- Permit printing and publishing by right (currently prohibited under 5,000 SF); (remove 5,000 SF cut off entirely as there is no clear rational basis for modern printing establishments);
- Permit warehouses/distribution as accessory uses by right and as a principal use by special permit (currently not permitted);
- Wireless communications restrictions may conflict with 1996 Telecom Act;
- Permit residential multifamily by special permit (currently prohibited—except in some cases through overlay zones);
- Permit hotel by special permit (currently prohibited); including serving of food and beverage;
- Permit light manufacturing by right (currently light manufacturing is permitted by SP);
- Permit general manufacturing by special permit (currently by right);
- “Ancillary outlet” should now be removed as superfluous (with retail and services permitted);
- Prohibit municipal solid waste facility (currently allowed by right); and dumps (currently by special permit)

Beyond use regulations, Natick's dimensional and density standards mandate an environment with low walkability and auto dependence. Setbacks keep buildings away from public sidewalks and each other, making walking less convenient. Front yard setbacks of over 60 feet can translate to efficient use of otherwise wasted space for double loaded parking. Thus privileging parking relative to walking increases auto traffic, reduces health, and negatively impacts the public realm.

- Recommend lowering minimum lot area to bring existing parcelization into at least 85% conformity
- Eliminate frontage requirements and depth setbacks—these are principally useful for subdivision; this is now a platted area
- Front setback of 40-85' is excessive—recommend minimum of 0-10 feet; consider a maximum setback of 10-20 feet; remove special requirement in In-I for additional front setback along Route 9.
- Side setback requirements range from 40' to 100' should be reduced to 0'
- Building heights of 30' or 2-stories are much too low for the In-I and C-II recommend up to four stories and 50'

Natick also employs a number of overlay zones in its highway commercial areas. Overlay zones are typically considered appropriate when they add or modify one or a small number of regulations in a limited area across a number of base zones, which are otherwise substantially intact. Natick's highway overlay zones, in contrast, largely supplant the underlying zoning, suggesting that rather than an overlay, a new base zone is called for which accurately addresses the specific needs of the area (for example, Oak Street and Strathmore Road may not be best suited to have the same base zoning. There are a number of provisions that implicitly and explicitly encourage the assemblage of lots into large parcels (10+ acres)

- Overlay zones (HC, RC, RCP, & MC) have lot area, frontage, and other requirements that create a differential incentive which favors large parcels. Where smaller parcels separate larger parcels or land assemblage is not possible this can create discontinuities in the character of land use along a street, which is not conducive to creating walkable commercial areas. Further, smaller buildings/parcels are the preferred location for incremental improvements along the corridor because of the lower overall project size; if anything smaller parcels should have more incentives in use and other requirements.
- FAR of 0.32 for non-residential uses is too low; waiver for parcels over 10 acres for FAR up to 0.50 is still too low, and benefits large parcels over small parcels
- Does permit the creation of residential & hotels by special permit
- Zoning text seeks to "encourage consolidation of lots;" the incentive in Section 324.3 seems arbitrary and of low economic value. There are other approaches to reducing curb cuts if that is

the principal goal, such as targeted taxes for curb cuts or coordinated planning of new shared access roads.

- FAR max of up to .55 for residential (or up to 1.00 for affordable) is still too low to create walkable area; supports suburban style garden apartments at about 20 units per acre.
- Landscaping/open space requirements too high (20% for retail, 30% for residential, 40% for office); landscaping for its own sake doesn't support walkability.
- Height setbacks from residential areas are excessive, recommend flat setback distance rather than based on building height.

Among the other zoning regulations, several sections stand out for additional review, in particular off-street parking and signage regulations. While a complete review of signage regulations is beyond the scope of this study, general recommendations would include permitting modifications of the regulations by special permit and permitting property owners to submit a sign master plan for their property which, once approved, would allow owners and tenants to quickly design and install signage without further review if it conformed with the standards of the approved plan. For parking regulations:

- Parking requirement for multifamily residential (which varies by unit size) is OK
- Office, Industrial and Retail parking ratios are also OK
- Should allow for shared parking where multiple uses share the same lot (residential, restaurant, and office for example); the APA and other planning organizations have various approaches to shared parking which could be adopted
- Restaurant requirement is extraordinarily high. Reasonable requirement for auto-oriented parking would be either 1/3 seats or 5/1,000 SF; and particularly consider shared parking in mixed-use centers for restaurant uses (peak demand may be at lunch when many restaurant patrons are walking)
- No clear provision for waiver of parking requirement—parking requirements, including dimensions and other requirements, should be modifiable by special permit; shared parking reduction should be by right.
- Recommend allowing drive aisles of 20' for two-way travel (currently 24' minimum) (by special permit if there is particular concern)—this supports slow moving traffic and a more walking-oriented site.
- Paving requirements currently stipulate the placement of curbs around the lot, as well as paving construction—this is outside the typical scope for zoning regulations and may conflict with stormwater best management practices or other urban design features. Recommend removal

- Truck loading requirement is high, e.g. a 100,000 SF hotel would require 4 loading bays, where one is typically adequate. This is something the market is very sensitive to—recommend removing loading dock requirements for mixed use buildings or smaller parcels. Differentiate between existing building reuse and new construction.

General comments and recommendations

- Recommend that the zoning ordinance needs a comprehensive overhaul, in structure, zoning districts and map, uses, dimensional standards, and development standards.
- Encourage walkability in design of buildings and sites
 - Walkability is desirable both from an amenity perspective, creating a community in which people mix, visit various uses, and in a functional perspective in supporting shared parking and allowing greater intensity of use without increasing traffic.
 - Walkability is a function of both public improvements (sidewalks, street widths, traffic speeds, cross walks, etc.) and private reasons to walk. Walkable continuity is easily disrupted with a single auto-focused street or parcel.
 - Dimensional standards that reduce setbacks and encourage building to the right of way and design standards that encourage regular entries, active ground floor uses, and a sense of enclosure supports walkability.
- Strictly speaking, the accessory use language means that accessory uses must themselves be directly permitted. E.g. a warehousing component accessory to an office would not be permitted. Recommend that accessory uses are always permitted, subject to the discretion of Town Planner or Building Inspector to determine whether a proposed use is really accessory to a permitted use or much be reviewed as its own principal use.
- The regulations in Section 5.5 of the proposed re-codified Natick Zoning By-Law are reasonable for non-dimensional/use nonconformity, but recommend making modification of a nonconformity by special permit of the Planning Board

Numerous substantive regulations are found in footnotes to tables. This is considered bad practice because it makes understanding what is permissible difficult to understand and can create potential conflicts. Recommend that footnotes be limited to clarifications or references.

Summary

The Town of Natick is an economically strong and vibrant community. In the past, it has proven its resiliency to economic downturns, maintaining relatively lower unemployment levels compared to its peers during times of hardship. However, no community can afford to be complacent. Natick must be forward-looking if it wants to maintain its economic position and grow in the future.

Our Team recommends that the Town take the following actions to achieve economic sustainability:

- Improve coordination and organization of economic development programs
- Address regulatory policy and procedure
- Improve the image of the Town's business friendliness through marketing and outreach
- Ensure investment in infrastructure to support development and quality of life.
- Expand business attraction and retention

In particular, by cultivating the variety and availability of housing options while also improving last-mile public transportation, Natick will be taking critical steps towards making its economy sustainable in the long term. Currently limited housing options extend commute times and exacerbate traffic by forcing workers outward. This makes the area less attractive as a business and labor destination. Therefore, if Natick wishes to secure the long-term primacy of its strong workforce, it should consider this as a priority.

With these broad objectives laid forth, it is imperative that the Town's institutional bodies (namely, the Department of Community and Economic Development, the Finance Committee, the Planning Board, and the Zoning Board of Appeals) achieve consensus to achieve the Town's goals. With this element in place, Natick's sustainable economic prosperity can be effectively planned, executed, and secured.

APPENDIX 1: Inventory of Existing Economic Development Assets

Natick has several economic development assets that support the community's retention, expansion, and attraction of business. These assets include private and public organizations, institutions, transport and logistics assets, and industry clusters that cultivate an ecosystem of economic activity.

Organizations

Through efforts to support existing and prospective business, local and regional economic development organizations play a pivotal role in maintaining and enhancing the economic climate within and around a locality. In addition to Natick's own economic development department, the town's location within the broader MetroWest region affords it access to a strong foundation of economic development groups.

Local

Natick's local **Department of Community and Economic Development** heads the town's economic development efforts. This includes building lasting relationships with businesses, both existing and prospective, in an effort to enhance the Natick community. **Natick Center Associates** also serves as an important local partner.

Regional

Regionally, the **495/MetroWest Partnership**, a public-private association, coordinates economic development and advocacy for MetroWest with an emphasis on retaining, attracting, and sustainably growing the region's business activity. In a complementary role, the **MetroWest Chamber of Commerce** provides networking, economic development, and advocacy services to more than 500 businesses, NPOs, and municipalities to support and expand business in the MetroWest region. Additionally, the **MetroWest Visitors Bureau** markets MetroWest destinations, including cultural and recreational venues, retailers, restaurants, and accommodations, to stimulate regional economic activity.

Quality of Life

Vibrant cultural activity and quality of life play an integral role in facilitating local economic development. In Natick, the downtown acts as a regional cultural hub, and as such, the district hosts a number of important institutions. Natick also has natural assets that bolster its quality of life.

Institutions

Natick's newly-remodeled **Morse Institute Library** offers free access to print and non-print resources in addition to programs, events, and meeting and exhibit spaces to residents of Natick and the MetroWest area. Additionally, **The Natick Center for Arts** (TCAN) offers concerts, theater productions, literary events, lectures and films, art exhibitions, and classes in theater and music to the MetroWest and Boston areas. Natick is also home to the **Museum of WWII - Boston** and the **Natick Historical Society Museum**.

Natural Assets

Natick is home to **Lake Cochituate**, **Dug Pond**, **Fiske Pond**, **Mud Pond**, **Pickerel Pond**, **Morse Pond**, and a part of the **Charles River**, enhancing the town's quality of place. There may be opportunities to provide greater pedestrian access to these water bodies, further expanding effects on quality of life. However,

Natick's water bodies present a barrier to transportation across town. See the Transportation and Logistics section for more.

Transport and Logistics

The Town of Natick is well-situated along key transportation routes, a critical location factor for businesses and developers. **Route 9** runs directly through the town, acting as a vein connecting Worcester to Boston. Additionally, **I-90/MassPike** runs along the northern boundary of the Town, offering easy access to both Boston and Western Massachusetts. **Speen Street** and **Route 27** act as additional connective veins. Natick also has access to non-Single Occupancy Vehicle (SOV) networks through the **MBTA Commuter Rail**, which operates a stop on Walnut Street in Natick. This links the town to a vast network of additional train and bus lines that connect locations statewide.

Although Natick sits at the nexus of a number of transportation routes, topographical aspects of the town pose challenges to transportation efficiency. While Natick's water bodies are quality of life assets, they obstruct north-south transportation across towns, creating traffic congestion at key intersections.

Industry Clusters and Economic Assets

Natick has a solid infrastructure of existing industries, key businesses, and economic assets that support its retention and expansion of economic activity.

Base Industries

To measure Natick's existing industrial base, Middlesex County is used as a proxy. Middlesex County has a number of base industries, or high employment activity indicating export advantages, that are particularly strong regionally. This includes:

- computer and electronic product manufacturing
- chemical manufacturing
- publishing industries except internet
- educational services
- professional and technical services
- enterprise management
- transit and ground passenger transport
- data processing
- other information services

In these industries, the county has higher employment concentration than both Boston MSA and Massachusetts at the state level, indicating greater competitiveness. Of these industries, the area demonstrates considerably strong activity in computer and electronic manufacturing, non-internet publishing industries, and other information services, potentially signaling overexposure.

The county's range of base industries is an asset to the local economy because it is not over dependent on any one industry, allowing it to be healthier in economic downturns. For more on Natick's base industries, refer to the Location Quotient section on page 9.

Key Businesses and Industrial Parks

Natick is home to the **US Army Soldier Systems Center**, a research and development facility that builds and enhances military technology, and the headquarters of **MathWorks**, a leading mathematical software developer. Together, these major operations foster an environment of innovation in the community.

Natick also contains two industrial parks, the **East Natick Industrial Park** and the **Natick Business Park**, that host a range of enterprises that bolster Natick's commercial environment.

Other Assets

In the heart of the community, **Downtown Natick** amalgamates arts, culture, and business. The district is home to over 50 businesses across a range of industries, further expanding Natick's commercial climate.

Additionally, located at the center of the Natick-Framingham Golden Triangle shopping districts, the **Natick Mall** houses over 250 retailers and restaurants, pulling in visitors from throughout Greater Boston.

Natick is also a part of the **Route 9 Corridor**, a collection of municipalities and businesses along the major east-west state highway. This region of Massachusetts has a robust business climate and considerable growth potential, and Natick's location within this wider zone of commercial activity augments its own local business environment.

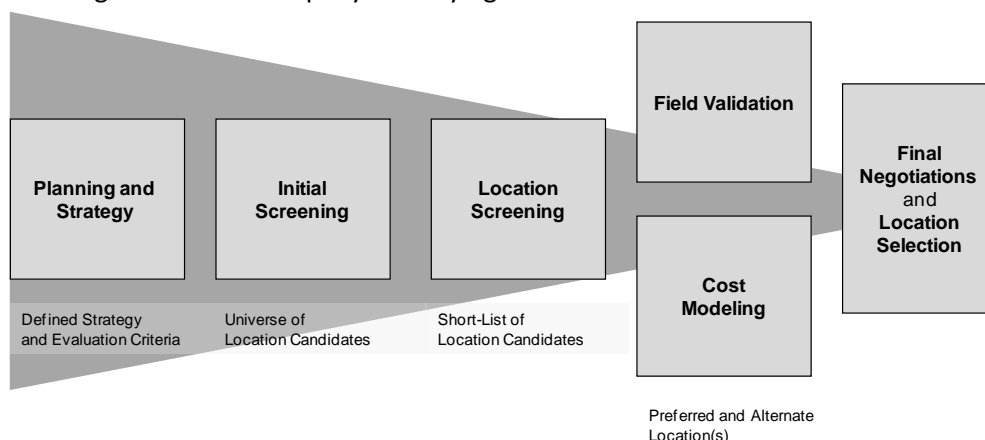
Zoning Review and Recommendations

Our zoning review found the following main points:

5. Natick's current zoning is inadequately suited for current market trends, thus causing a deficiency in best use of space. Given the lack of industrial space, Natick is forced to focus more on suburban office environments. Yet between the restrictive zoning laws and the direction that suburban office trends are heading (demanding mixed-uses), there is a disconnect.
6. Current zoning creates low-walkability and encourages auto-dependence. This is due to excessive setback and parking requirements.
7. Strongly linked to zoning regulation, special attention should be paid to parking and signage regulation. These elements combine to influence walkability and automotive use.
8. Overlay zones largely supplant base zoning, suggesting an overhaul of base zoning would be more appropriate.

APPENDIX 2: Reverse Site Selection Model

Companies making expansion and relocation decisions typically go through a process similar to that which is shown on this page. This process begins with the company identifying their business opportunities, constraints and needs for the new facility, and then progresses through an evaluation of location options. This evaluation process continues to narrow the list of options until the company is prepared to negotiate with the last (and best-fit) handful of communities and sites remaining on the list.



The screening process typically begins with a long list of regional, national, or even international location options. During this preliminary stage, metropolitan areas are usually the units of geography being evaluated, but many companies also include specific communities in the initial screening. Accordingly, we segmented our Reverse Site Selection Model into a local and regional screening. The local screening compares Natick to peer communities with similar attributes, and the regional screening evaluates Middlesex County against comparable regional areas. Both models seek to assess Natick's competitive position within a mix of location options that are likely to be considered in a location decision.

Local economic development agencies are typically contacted at the completion of these first screening rounds of collected data. This then gives them the opportunity to present specific sites or, if applicable, communities within the broader region.

Competitive Set

The Reverse Site Selection Model competitive sets were chosen by identifying communities and regions with similar assets to Natick and Middlesex County at large. We adjusted for differences in size between compared areas by looking at changes in parameters rather than straight numbers. For example, we did not rate total population but rather change in population over time.

The following communities are included in the Local Screening against Natick, MA:

Framingham, MA	Hopkinton, MA	Marlborough, MA	Needham, MA	Newton, MA
Norwood, MA	Reading, MA	Shrewsbury, MA	Westborough, MA	Woburn, MA

MSAs or counties for the following regional centers are included in the Regional Screening against Middlesex County:

Hartford, CT	Providence, RI	Nashua, NH	Central NJ (Middlesex County)	Albany, NY	Durham, NC	Portland, ME
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Model Overview

This model ranks communities based on ICA's reverse site selection screening criteria. The lower the number, the higher the ranking (Locally: 1 is best, 11 is worst, Regionally: 1 is best, 8 is worst). The overall rank is determined by the sum of weighted subcategory scores (not rankings). Some categories are weighted more than others. For instance, Tax Regime, Climate & Natural Hazards, and Crime & Quality of Life were weighted less than the other subcategories in this model.

LOCAL Reverse Site Selection Screening Rankings (1 = Best, 11 = Worst)											
Categories	NATICK, MA	Framingham, MA	Hopkinton, MA	Marlborough, MA	Needham, MA	Newton, MA	Norwood, MA	Reading, MA	Shrewsbury, MA	Westborough, MA	Woburn, MA
Population and Demographics	2	4	1	10	4	8	10	4	3	4	8
Household Statistics	6	8	2	11	3	5	10	1	4	8	7
Labor Force Availability	1	10	2	9	3	8	11	7	3	5	6
Industry-Specific Employment	8	10	6	1	8	10	4	6	4	1	1
Occupation-Specific Employment (per 1000)	1	1	1	1	1	1	1	1	10	10	1
Occupation-Specific Salaries (Annual Mean 2015)	3	3	3	3	7	7	7	7	1	1	7
Education (2016)	3	9	6	11	1	1	8	4	5	6	9
Transportation and Market Access	5	5	11	3	9	1	5	3	9	5	1
Crime and Quality of Life	5	5	5	5	3	5	3	5	1	1	5
Overall Rank	1	9	2	10	4	6	11	5	3	7	8

REGIONAL Reverse Site Selection Screening Rankings (1 = Best, 8 = Worst)								
Categories	Middlesex County, MA	Hartford, CT	Providence, RI	Nashua, NH	Central NJ	Albany, NY	Durham, NC	Portland, ME
Population and Demographics	2	6	6	3	3	6	1	3
Household Statistics	3	4	7	2	1	5	8	5

REGIONAL Reverse Site Selection Screening Rankings (1 = Best, 8 = Worst)								
Categories	Middlesex County, MA	Hartford, CT	Providence, RI	Nashua, NH	Central NJ	Albany, NY	Durham, NC	Portland, ME
Labor Force Availability	1	7	6	5	2	8	2	2
Industry-Specific Employment	6	5	3	2	1	8	7	4
Occupation-Specific Employment (per 1000)	1	3	8	6	4	4	2	6
Occupation-Specific Salaries (Annual Mean 2015)	7	6	3	4	8	2	5	1
Education (2016)	1	7	8	6	5	4	2	3
Transportation and Market Access	3	1	3	8	5	7	2	5
Tax Regime	3	5	6	3	7	2	1	7
Climate and Natural Hazards	2	5	2	7	4	6	8	1
Crime and Quality of Life	7	2	5	6	8	3	1	4
Overall Rank	1	5	8	4	6	7	2	3

Overall Findings

The following presents an overview of our findings from the Reverse Site Selection Model, considering Natick's local performance and Middlesex County's regional performance simultaneously.

Advantage	Disadvantage
Population and Demographics	
SUMMARY: High Score (2 nd locally, 2 nd regionally)	
<ul style="list-style-type: none"> Rise in working-age population seen as a strength in adding available workforce. Demonstrates ability to attract new talent 	
Household/Housing Statistics	
SUMMARY: Most competitive regionally (1 st), but average/poor locally (6 th)	

Advantage

- Regionally, low vacancy rate and high rate of home ownership suggest attainable housing

Disadvantage

- Locally, high housing growth rate with average vacancy rates suggests attainable housing may be underserved
- May indicate low availability of rental housing
- House prices significantly above other regions

Labor Force Availability

SUMMARY: Highest locally (1st), best regionally (1th)

- Very competitive unemployment rate heading in positive direction
- Strong growth in labor force gives benefit of talent availability
- Weak rate of change in unemployment, though could be interpreted as economic stability during and after crisis

Industry & Occupation Specific Employment

SUMMARY: Ranked 8th locally, 6th regionally in terms of industry employment. Ranked 1st locally and 1st regionally in occupation specific employment

- Regionally, high employment in service industry
- Locally, average employment in transportation/utilities and service industries
- Very high employment in architecture/engineering, computer/mathematical, and business/financial operation occupations
- Low employment in manufacturing and wholesale trade industries
- Locally and regionally (Middlesex County), low employment in education/training and healthcare practitioner/technician occupations

Occupation Specific Salaries

SUMMARY: Average (3rd locally, 7th regionally)

- Locally, competitive salaries in education and healthcare. Yet wages are high for engineers, architects, and management occupations.
- High salaries reflect poorly for private sector attraction given the higher costs associated with labor

Education

SUMMARY: Average locally (3rd), Highest score regionally (1st)

Advantage

- Regionally, Middlesex county has the most educated workforce among its peers

Disadvantage

- Given competitive local area, Natick's workforce, though well-educated, is average

Transportation and Market Access

SUMMARY: Ranked 5th locally and 3rd regionally (Middlesex Co.)

- | | |
|--|---|
| <ul style="list-style-type: none"> Regionally, Middlesex County is well served by proximity to Logan International Airport as well as numerous interstate highways, US highways, and the I-495 interstate connector | <ul style="list-style-type: none"> Locally, Natick's transportation and market access is limited to only two main thoroughfares in an East-West direction (I-90 and Rt. 9) |
|--|---|

Tax Regime

SUMMARY: Ranked 3rd regionally

- | | |
|---|---|
| <ul style="list-style-type: none"> Competitive tax climate and tax rates among New England peers | <ul style="list-style-type: none"> Not competitive against Albany, NY and Durham, NC |
|---|---|

Climate and Natural Hazards

SUMMARY: Ranked 3rd regionally

- | | |
|--|---|
| <ul style="list-style-type: none"> Relatively low hurricane risk Fewer thunderstorms and average precipitation | <ul style="list-style-type: none"> Relatively higher tornado risk compared to Providence, RI, Albany, NY, and Portland, ME |
|--|---|

Crime and Quality of Life

SUMMARY: Ranked 5th locally, 7th regionally (Middlesex Co.)

- | | |
|---|---|
| <ul style="list-style-type: none"> Favorable crime rates both locally and regionally Good access to physicians locally and among New England peers (but low compared to Durham) | <ul style="list-style-type: none"> High cost of living (both locally and regionally) Average commute time |
|---|---|

APPENDIX 3: Location Quotient and Shift Share Analysis

Location Quotients

No economy is self-sufficient. Most develop and grow around industries that generate more than enough output to export to other locations and in turn import other goods and services from those locations. Trade takes place because the local economy has advantages in producing some goods and services and other economies are better at producing other things. The industries that generate excess production are referred to as base industries; in these industries, exports are greater than imports in industry-specific goods. The base industries generate the income that allows the economy to import different types of goods from other economies and support employment in other sectors needed to support local activity. The simplest example of such a framework is a coal mining town. The base industry is coal mining, the coal is exported which generates income for the miners who spend it on non-base activities such as groceries available at local supermarkets after being trucked in from other parts of the country.

The first step in developing an economic development strategy is to identify the base industries of the regional economy. One of the simplest approaches is by identifying which industries have employment levels that suggest they produce a level of output that exceeds local demand. Economists have developed the concept of Location Quotients (LQ) for this purpose. The LQ is computed in three steps:

1. Each industry's share of employment (as a percent) is calculated for the local economy;
2. The same is done for the national economy; and
3. The ratio, called the Location Quotient (LQ), is calculated from the industry-specific employment share of the local economy relative to the national economy.

An industry with a LQ greater than 1 is considered a base industry. For example, NAICS code 54 for professional and technical services has a LQ of 2.17, indicating that employment is above the US level for that industry in Middlesex County. Employment for NAICS code 54 is 15.67% for the county. Conversely, NAICS code 111 for crop production has a LQ of .24, indicating county employment is below the US level in that industry. With employment of .12%, crop production is not a significant industry of employment in Middlesex County.

Location Quotient Findings

Before discussing location quotient findings, it is important to acknowledge the limitations of this study. Because the Town of Natick itself is too small for LQ analysis (based on available datasets), the county of Middlesex is used as a proxy. The findings are based on county employment levels, which include Natick and offer valuable insight into its economic character, but do not perfectly address its uniqueness.

On the broadest level, Middlesex County's base industries are **information, professional and business services**, and **education and health services**, with LQs of 2.11, 1.54, and 1.17 respectively. In information, Middlesex County has greater activity than Boston MSA and Massachusetts at the state level by more than .5 of an LQ, marking the sector as a particular strength area over these regions. However, while education and health services is considered a base industry, the level of activity elevation is less than that of the Boston MSA and state of Massachusetts, meaning its competitiveness is

lower than that of the region. Professional and business services in Middlesex County, on the other hand, remains stronger than Massachusetts and the Boston MSA, but not significantly.

Middlesex County has several more specific base industries that are also particularly strong as compared to other regions, including:

- Computer and electronic product manufacturing
- Chemical manufacturing
- Publishing industries except internet
- Educational services
- Professional and technical services
- Enterprise management
- Transit and ground passenger transport
- Data processing
- Other information services

Of these industries, the area demonstrates considerably strong activity in computer and electronic manufacturing, non-internet publishing industries, and other information services, potentially indicating overexposure.

The county has a number of industries over the average for the US as a whole regardless of strength over nearby regions, which is good for the local economy as it does not show overdependence on any one industry. The community will be healthier in times of economic difficulties if the focus is on several industries instead of just one.

It is also important to note that Middlesex County has a number of non-base industries that are still central to its economy based on employment levels. This includes health care and social assistance and trade, transportation, and utilities, both of which have employment levels over 10%. Both manufacturing and leisure/hospitality reach levels just under 10% employment share. Efforts should be made to make these industries more competitive because in addition to being non-base, they lag behind the Boston MSA and state of Massachusetts in terms of activity. Additionally, both the Location Quotients and change of employment of the manufacturing sector and trade, transportation, and utilities sector indicate that they are deteriorating.

Middlesex County should focus on growing or maintaining all of its base industries. The county should focus on growing central, non-base industries since they account for a significant amount of area employment but are not yet considered base industries.

The table below shows the economic base analysis for the state of Massachusetts, Boston MSA, and Middlesex County as well as total employment (2014), percentage employment, 2004-2014 change in LQ, and 2004-2014 change in employment for Middlesex County.

	2014 LQ			Middlesex County, MA			
Industry	Mass. Statewide	Boston MSA	Middlesex County, MA	Total Employment 2014	Middlesex Percentage Employment	Change in LQ	Net Change in Employment
Base Industry: Total, all industries	1	1	1	767,253		0	68653
Natural resources and mining	0.15	0.11	0.16	2,204	0.29%	-0.03	190
Construction	0.83	0.78	0.82	33,086	4.31%	0	-3489
Manufacturing	0.81	0.77	0.94	76,002	9.91%	-0.03	-12709
Trade, transportation, and utilities	0.85	0.79	0.75	130,455	17.00%	-0.1	-7160
Information	1.24	1.45	2.11	38,319	4.99%	0.36	3303
Financial activities	1.07	1.19	0.7	35,547	4.63%	0.02	1124
Professional and business services	1.07	1.19	1.54	195,357	25.46%	0.07	41403
Education and health services	1.37	1.31	1.17	159,940	20.85%	-0.06	32709
Leisure and hospitality	0.92	0.9	0.72	69,860	9.11%	-0.01	11391
Other services	1.06	1.07	0.94	26,483	3.45%	0.05	1891
Unclassified	NC	0.01	NC	NC	NC	NC	NC
NAICS 111 Crop production	0.26	ND	0.24	885	0.12%	0.04	165
NAICS 112 Animal production and aquaculture	0.27	0.25	ND	ND	ND	NC	NC
NAICS 113 Forestry and logging	0.08	0.05	ND	ND	ND	NC	NC
NAICS 114 Fishing, hunting and trapping	5.83	ND	NC	NC	NC	NC	NC
NAICS 115 Agriculture and forestry support activities	0.07	0.06	0.07	160	0.02%	-0.33	-627
NAICS 211 Oil and gas extraction	0	0	NC	NC	NC	NC	NC
NAICS 212 Mining, except oil and gas	0.15	0.1	0.14	198	0.03%	NC	NC
NAICS 213 Support activities for mining	0.01	0.02	0	5	0.00%	NC	NC
NAICS 221 Utilities	0.77	ND	0.4	1,444	0.19%	0.03	114
NAICS 236 Construction of buildings	0.79	0.71	0.72	6,434	0.84%	-0.06	-1743
NAICS 237 Heavy and civil engineering construction	0.55	0.59	0.59	3,533	0.46%	-0.21	-1055
NAICS 312 Beverage and tobacco product manufacturing	0.57	0.55	0.44	618	0.08%	-0.11	-63
NAICS 313 Textile mills	1.13	1.33	0.9	694	0.09%	0.12	-500
NAICS 314 Textile product mills	0.7	ND	0.41	308	0.04%	0.2	70
NAICS 315 Apparel manufacturing	0.67	0.45	0.21	191	0.02%	0.13	47

	2014 LQ			Middlesex County, MA			
Industry	Mass. Statewide	Boston MSA	Middlesex County, MA	Total Employment 2014	Middlesex Percentage Employment	Change in LQ	Net Change in Employment
NAICS 316 Leather and allied product manufacturing	2.31	2.31	ND	ND	ND	NC	NC
NAICS 321 Wood product manufacturing	0.26	ND	0.09	211	0.03%	-0.11	-502
NAICS 322 Paper manufacturing	0.87	ND	0.34	848	0.11%	-0.44	-1621
NAICS 238 Specialty trade contractors	0.91	0.85	0.9	23,119	3.01%	0.06	-691
NAICS 311 Food manufacturing	0.68	0.72	0.47	4,585	0.60%	0.05	554
NAICS 337 Furniture and related product manufacturing	0.43	0.39	0.41	1,007	0.13%	0.12	-39
NAICS 339 Miscellaneous manufacturing	1.33	1.05	1.13	4,360	0.57%	0.13	143
NAICS 423 Merchant wholesalers, durable goods	0.73	0.74	0.99	19,106	2.49%	-0.34	-6062
NAICS 424 Merchant wholesalers, nondurable goods	0.82	0.76	0.69	9,270	1.21%	-0.1	-938
NAICS 425 Electronic markets and agents and brokers	1.25	0.91	1.18	7,025	0.92%	-0.15	1045
NAICS 441 Motor vehicle and parts dealers	0.76	0.69	0.58	7,137	0.93%	-0.07	-830
NAICS 442 Furniture and home furnishings stores	0.85	0.82	0.81	2,444	0.32%	-0.19	-1173
NAICS 443 Electronics and appliance stores	0.71	0.74	0.75	2,424	0.32%	-0.29	-1067
NAICS 444 Building material and garden supply stores	0.82	0.76	0.66	5,346	0.70%	-0.13	-900
NAICS 445 Food and beverage stores	1.3	1.24	1.17	23,213	3.03%	0.07	3264
NAICS 446 Health and personal care stores	1.04	1	0.95	6,390	0.83%	-0.07	199
NAICS 323 Printing and related support activities	0.98	0.97	1.35	4,045	0.53%	0.38	-51
NAICS 324 Petroleum and coal products manufacturing	0.3	0.31	ND	ND	ND	NC	NC
NAICS 325 Chemical manufacturing	0.85	ND	1.61	8,557	1.12%	0.41	1752
NAICS 326 Plastics and rubber products manufacturing	0.72	ND	0.53	2,350	0.31%	0.15	362
NAICS 327 Nonmetallic mineral product manufacturing	0.57	0.32	0.23	585	0.08%	0	-165

	2014 LQ			Middlesex County, MA			
Industry	Mass. Statewide	Boston MSA	Middlesex County, MA	Total Employment 2014	Middlesex Percentage Employment	Change in LQ	Net Change in Employment
NAICS 331 Primary metal manufacturing	0.31	ND	0.18	471	0.06%	-0.14	-496
NAICS 332 Fabricated metal product manufacturing	0.89	0.72	0.53	5,054	0.66%	-0.07	-674
NAICS 333 Machinery manufacturing	0.6	0.53	0.54	4,054	0.53%	-0.35	-2486
NAICS 334 Computer and electronic product manufacturing	2.13	2.52	4.87	33,877	4.42%	-0.03	-7594
NAICS 335 Electrical equipment and appliance mfg.	0.91	0.74	0.46	1,161	0.15%	-0.12	-494
NAICS 336 Transportation equipment manufacturing	0.31	0.4	0.27	2,810	0.37%	-0.04	-732
NAICS 533 Lessors of nonfinancial intangible assets	1.13	ND	0.33	52	0.01%	-0.18	-33
NAICS 541 Professional and technical services	1.34	1.54	2.17	120,200	15.67%	0.06	28274
NAICS 551 Management of companies and enterprises	1.16	1.27	1.65	23,597	3.08%	-0.15	3938
NAICS 561 Administrative and support services	0.78	0.81	0.91	49,592	6.46%	0.07	9089
NAICS 562 Waste management and remediation services	1.11	1.08	0.77	1,968	0.26%	-0.12	102
NAICS 611 Educational services	1.99	2.1	2.74	48,587	6.33%	-0.66	3006
NAICS 621 Ambulatory health care services	1.02	0.97	0.87	38,260	4.99%	0.05	12139
NAICS 622 Hospitals	1.55	ND	0.88	27,819	3.63%	0.02	4169
NAICS 623 Nursing and residential care facilities	1.24	1	0.96	20,833	2.72%	-0.02	3174
NAICS 624 Social assistance	1.43	ND	1.13	24,441	3.19%	0.03	10220
NAICS 447 Gasoline stations	0.55	0.45	0.38	2,207	0.29%	-0.05	-224
NAICS 448 Clothing and clothing accessories stores	0.97	1.01	0.87	7,885	1.03%	-0.29	-2369
NAICS 451 Sports, hobby, music instrument, book stores	0.98	0.94	0.94	3,828	0.50%	-0.21	-977
NAICS 452 General merchandise stores	0.64	0.57	0.48	9,934	1.29%	0.02	1418
NAICS 453 Miscellaneous store retailers	0.88	0.88	0.73	3,978	0.52%	-0.12	-1056

	2014 LQ			Middlesex County, MA			
Industry	Mass. Statewide	Boston MSA	Middlesex County, MA	Total Employment 2014	Middlesex Percentage Employment	Change in LQ	Net Change in Employment
NAICS 454 Nonstore retailers	1.08	1.14	0.72	2,352	0.31%	0.09	622
NAICS 481 Air transportation	0.66	ND	0.02	50	0.01%	0.01	8
NAICS 482 Rail transportation	NC	NC	NC	NC	NC	NC	NC
NAICS 483 Water transportation	0.47	ND	ND	ND	ND	NC	NC
NAICS 484 Truck transportation	0.44	0.36	0.39	3,610	0.47%	-0.11	-743
NAICS 485 Transit and ground passenger transportation	1.92	1.73	2.08	6,318	0.82%	0.43	2305
NAICS 486 Pipeline transportation	0.12	ND	ND	ND	ND	NC	NC
NAICS 487 Scenic and sightseeing transportation	1.72	ND	0.25	51	0.01%	NC	NC
NAICS 488 Support activities for transportation	0.48	0.5	0.26	1,089	0.14%	0.02	258
NAICS 491 Postal service	NC	ND	NC	NC	NC	NC	NC
NAICS 492 Couriers and messengers	0.8	ND	0.89	3,353	0.44%	-0.11	-243
NAICS 493 Warehousing and storage	0.48	0.37	0.38	1,885	0.25%	-0.13	49
NAICS 511 Publishing industries, except Internet	2.24	2.68	4.54	21,727	2.83%	1.27	2597
NAICS 512 Motion picture and sound recording industries	0.57	ND	0.51	1,305	0.17%	0	50
NAICS 515 Broadcasting, except Internet	0.71	0.77	0.44	823	0.11%	0.2	313
NAICS02 516 Internet publishing and broadcasting	NC	NC	NC	NC	NC	NC	NC
NAICS 517 Telecommunications	0.82	ND	1.02	5,737	0.75%	-0.08	-1505
NAICS 518 Data processing, hosting and related services	0.98	ND	2.13	3,909	0.51%	-0.26	-1975
NAICS 519 Other information services	1.78	2.13	3.36	4,819	0.63%	3.11	4739
NAICS 521 Monetary authorities - central bank	ND	ND	ND	ND	ND	NC	NC
NAICS 522 Credit intermediation and related activities	0.86	0.91	0.62	10,525	1.37%	-0.06	-1857
NAICS 523 Securities, commodity contracts, investments	1.98	2.53	0.8	4,696	0.61%	0.21	1788
NAICS 524 Insurance carriers and related activities	1.17	1.24	0.73	10,516	1.37%	0.06	1269

	2014 LQ			Middlesex County, MA			
Industry	Mass. Statewide	Boston MSA	Middlesex County, MA	Total Employment 2014	Middlesex Percentage Employment	Change in LQ	Net Change in Employment
NAICS 525 Funds, trusts, and other financial vehicles	ND	ND	ND	ND	ND	NC	NC
NAICS 531 Real estate	0.84	0.93	0.75	7,435	0.97%	0.03	932
NAICS 532 Rental and leasing services	0.79	ND	0.66	2,312	0.30%	-0.1	-831
NAICS 711 Performing arts and spectator sports	1	ND	0.44	1,294	0.17%	0.12	516
NAICS 712 Museums, historical sites, zoos, and parks	1.54	ND	0.5	487	0.06%	-0.1	36
NAICS 713 Amusements, gambling, and recreation	0.98	0.95	0.86	8,608	1.12%	0.07	1679
NAICS 721 Accommodation	0.72	0.68	0.51	6,407	0.84%	-0.08	-378
NAICS 722 Food services and drinking places	0.94	0.92	0.75	53,064	6.92%	-0.02	9538
NAICS 811 Repair and maintenance	0.83	0.79	0.93	7,608	0.99%	0	275
NAICS 812 Personal and laundry services	1.17	1.24	1.07	9,735	1.27%	0.02	1186
NAICS 813 Membership associations and organizations	1.18	1.15	0.73	6,544	0.85%	0.07	1050
NAICS 814 Private households	1	1.07	1.4	2,597	0.34%	0.41	-619
NAICS 999 Unclassified	NC	0.01	NC	NC	ND	NC	NC
Footnotes: (NC) Not Calculable, the data does not exist or it is zero (ND) Not Disclosable							

Shift Shares

The Location Quotient certainly shows concentration at a particular point in time, but it does not show how a region's industries and competitiveness change over time. Shift-share analysis allows for a review of how much of an industry's growth (or loss) is due to regional factors relative to national factors.

An examination of both methods allows for the identification of industries where the region has a strong existing share, has a regional or national advantage, and where these advantages are either increasing or are at risk.

The shift share analysis uses national, state, and local employment statistics to examine how much growth or decline in employment in a particular sector is due to:

National growth share - The share of local job growth that can be attributed to growth of the national economy. Specifically, if the nation as a whole is experiencing employment growth, ("a rising tide lifts all boats"), one would expect total national growth to exert a positive growth influence on the local area. This factor describes the change that would be expected simply by virtue of the fact that the local area is part of a changing national economy.

Industrial mix share - The share of local job growth that can be attributed to the region's mix of industries being analyzed. This second factor is the change in a local industry that would be attributable to the growth or decline of the industry nationally. This component isolates the fact that nationwide, some industries have grown faster or slower than others. It represents the contribution that a specific industry nationally has made to the change in the number of jobs in the region.

Local share (regional shift) - This share of local job growth describes the extent to which factors unique to the local area have caused growth or decline in regional employment of an industrial group. Some regions and still some industries grow faster than others do. This is usually attributed to some local comparative advantage such as natural resources, linked industries, favorable local labor situations, or the efforts of local institutions such as economic development corporations.

While each point provides useful information, the Local Share (or regional shift) provides specific insights into a region's opportunities and risks for particular industry clusters.

Shift Share Findings

The chart below shows the shift-share analysis for both Middlesex County and the Boston MSA from 2004-2014. National growth shows the effect on employment that the overall national economy is having on the area. Industrial mix demonstrates the effect on employment by a specific industry's performance. Meanwhile the local or regional change demonstrates the change in employment based on local or regional factors.

	Shift-Share (National Base)								Main Change Component
	National Change		Industrial Mix		Local/Regional Change		Total Change		
Industry	Boston MSA	Middlesex County MA	Boston MSA	Middlesex County MA	Boston MSA	Middlesex County MA	Boston MSA	Middlesex County MA	
Base Industry: Total, all industries	131,699	45,581	-	-	50,734	23,072	182,433	68,653	National
Natural resources and mining	305	131	805	347	(1,354)	(289)	(244)	190	Regional
Construction	6,388	2,386	(17,821)	(6,658)	4,367	782	(7,066)	(3,489)	Regional
Manufacturing	13,728	5,788	(44,730)	(18,860)	(896)	363	(31,898)	(12,709)	Regional
Trade, transportation, and utilities	26,406	8,979	(13,218)	(4,495)	(22,841)	(11,644)	(9,653)	(7,160)	Local
Information	4,751	2,285	(13,382)	(6,436)	11,035	7,454	2,403	3,303	Local

	Shift-Share (National Base)								Main Change Component
	National Change		Industrial Mix		Local/Regional Change		Total Change		
Industry	Boston MSA	Middlesex County MA	Boston MSA	Middlesex County MA	Boston MSA	Middlesex County MA	Boston MSA	Middlesex County MA	
Financial activities	11,650	2,246	(16,554)	(3,192)	730	2,070	(4,174)	1,124	Regional
Professional and business services	24,006	10,045	38,754	16,216	1,992	15,142	64,752	41,403	Regional
Education and health services	25,874	8,301	84,777	27,200	5,632	(2,792)	116,283	32,709	Regional
Leisure and hospitality	13,382	3,815	22,134	6,310	10,351	1,266	45,866	11,391	Regional
Other services	5,204	1,605	(6,182)	(1,906)	7,214	2,193	6,235	1,891	Local
Unclassified	6	NC	(16)	NC	(61)	NC	(71)	NC	NC

The regional shift shows that local factors in Middlesex County are slowly shifting employment away from natural resources and mining as well as trade, transportation, and utilities and education and health services. Boston MSA shows similar locally-driven shifts in employment away from natural resources and mining as well as trade, transportation, and utilities.

The total shift share analysis shows that employment in Middlesex County is slowly shifting away from construction, manufacturing, and trade/transportation, the latter two of which are central but non-base industries in the county. To grow these industries, it will be important to reverse this trend particularly with consistent efforts at the county-level. The Boston MSA shows similar shifts, but also less employment in natural resources and mining as well as financial activities.

The following industry groups are growing in employment in the county:

- Professional and business services;
- Education and health services;
- Leisure and hospitality;

The first two industries are current base industries in the county, and the analysis reveals that employment changes are augmenting these bases. However, although positive employment changes between 2004 and 2014 slightly raised the LQ of professional and business services, the LQ of education and health services dropped slightly. In spite of positive employment changes, leisure and hospitality, too, saw a very small decrease in LQ. Nevertheless, these industries show potential for continued growth. Efforts on the regional level will be central to this endeavor, especially in the case of education and health services where regional factors worked against national trends creating employment growth.

By further examining these trends with greater attention to each factor's associated contributions to growth or contraction, it is possible to better understand Middlesex County's true wins and losses.

All Industry: Changes for industrial mix are irrelevant when looking at an entire regional economy, so looking at the Base Industry Total line truly isolates how well the region itself has performed when compared how national trends would predict. Based on this, the numbers suggest that Middlesex County gained 23,072 more jobs between 2004-2014 than would have been predicted by national trends alone.

Natural Resources and Mining: Middlesex County was expected to see a loss of 289 jobs. Due to national economic factors and the healthy performance of this industry nationwide, the county witnessed a growth of 190 jobs. In the Boston MSA, regional factors alone were expected to precipitate a loss of 1,354 jobs, but the area actually experienced a 244 job increase.

Construction: Middlesex County was expected to see a gain of about 782 jobs but actually lost 3,849 due to national growth and industrial factors. In the Boston MSA, regional factors alone were expected to create 4,367 jobs but the MSA actually lost 7,066 jobs, largely due to the poor national performance of the construction industry.

Manufacturing: Middlesex County was expected to see a gain of about 363 jobs, but the area actually lost 12,709 jobs. In the Boston MSA, we expected to see a loss of 896 jobs, but the area actually lost 31,898 jobs. Fortunately, growth associated with the national economy dampened the effect of the poor performance of the manufacturing industry nationwide.

Traded, Transportation, and Utilities: Middlesex County was expected to see a loss of about 11,644 jobs when the area actually lost 7,160 jobs. In the Boston MSA, we expected to see a loss of 22,841 jobs but the area only lost 9,653 jobs, less than expected due to the growth of the national economy.

Information: Middlesex County was expected to gain 7,454 jobs, but only gained 3,404 jobs in the end. This was due to this industry's poor national performance. In the Boston MSA, we expected to see 11,035 new jobs but the area actually gained only 2,403 jobs.

Financial Activities: Middlesex County was expected to see a gain of about 2,070 jobs when the area actually gained only 1,124 jobs. Meanwhile, the Boston MSA expected to see a gain of 730 jobs but lost 4,174 jobs instead. This is in large part due to industrial mix factors.

Professional and Business Services: Middlesex County was expected to see a gain of about 15,142 jobs when the area actually gained a stunning 41,403 jobs. The Boston MSA expected 1,992 new jobs in this industry, but the area actually gained 64,752 jobs. This is mostly due to the national change and industrial mix.

Education and Health Services: Middlesex County expected a loss of about 2,792 jobs, but it actually gained 32,709 jobs. In the Boston MSA, we expected to see a gain of 5,632 jobs, but the area actually gained 116,283 jobs. While local and regional factors account for little of these gains, the industrial mix greatly contributed to job growth in this industry across both Middlesex County and the Boston MSA.

Leisure and Hospitality: Middlesex County was expected to see a gain of about 1,266 jobs locally when the area actually gained 11,391 jobs. In the Boston MSA, we expected to see a gain of 10,351 jobs, but the MSA actually gained 45,866 jobs. National growth and industrial mix contributed to this performance.

Other Services: Middlesex County was expected to see a gain of about 2,193 jobs when the area actually gained only 1,891 jobs. In the Boston MSA, we expected to see a gain of 7,214 jobs, but the area actually gained 6,235 jobs.

OVERALL: In Middlesex County, construction and manufacturing highly underperformed due to national trends while trade, transportation, and utilities underperformed due to a combination of local and national factors. However, professional and business services greatly outperformed national expectations in both the Boston MSA and Middlesex County.